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# INQUIRY

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# INQUIRY

AUGUST 1982 — A LIBERTARIAN REVIEW



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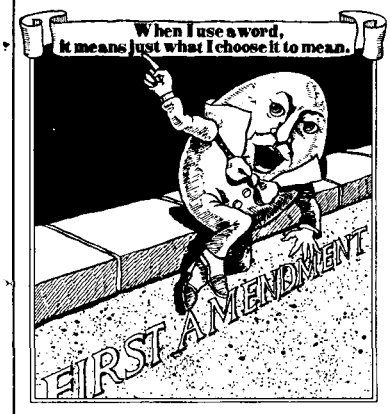



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# Res Publica

### *Do check his diapers, and do NOT forget to burp him*

■ Charles Z. Wick, the director of the U.S. International Communication Agency, is a man who likes things just so. . . . For this reason, his staff has compiled an in-house memo advising "Dos and Don'ts" for proper behavior in the company of "The Director." . . .

• "Do NOT leave him standing alone, unless he requests to be left alone. At airports, receptions, meetings, keep him occupied."

• "Do NOT have security personnel at embassies or elsewhere ask him to identify himself. . . ."

• "Do NOT overwhelm him with papers and other materials before meetings. He expects that all this should have been provided earlier."

• "Do NOT pretend to know an answer. Either you know or you don't know. . . ."

• "Do NOT smoke in his presence."

• "Long, uninteresting conversations turn the Director off, so keep things lively. . . . Sharp, catchy phrases that grasp the point are what he likes to hear, and he will quote you if he likes them."

• ". . . If he becomes angry don't increase his aggravation by arguing or by trying to excuse the mistake or error or foul-up."

• ". . . Heavy schedules will tire him out. At that point, he may become inattentive, impatient, and short with you. . . ."

*—Washington Post, May 12, 1982*

### *And no loud foul balls, either*

■ [The Illinois senate] endorsed, 41-11, a bill designed to prohibit night baseball at Wrigley Field, the [Chicago] Cubs' home park. The bill would forbid night games by subjecting the park to stricter state noise-pollution guidelines. The standards would rule out use of the public address system and organ at night.

*—Washington Post, June 23, 1982*

### *And Leninism since Moses*

■ [New Argentine army commander Lieutenant General Cristino Nicolaides] once said that the world has been threatened by Marxism since 500 years before the birth of Christ.

*—Washington Post, June 24, 1982*

### *Costa-Gavras, call your office*

■ The Colombian government suspended a state of siege that has been in force for most of the past thirty-four years.

*—Washington Post, June 21, 1982*

### *The Russkies got theirs from Satan*

■ [Now that the ERA has been stopped, Phyllis Schlafly] said that her 50,000-member organization, Eagle Forum, would now turn to such issues as . . . a campaign against a nuclear freeze. ("The atomic bomb is a marvelous gift that was given to our country by a wise God.")

*—New York Times, July 1, 1982*

### *Introducing the LAPD dating service*

■ Two Los Angeles Police Department undercover vice officers, unaware that the other was a police officer, tried to place each other under arrest during a crackdown on Hollywood prostitution. . . .

*—Los Angeles Times, June 18, 1982*

### *Two cents' worth of euphemisms*

■ Few politicians want to be associated with a new tax when they go out to face the electorate. So the literature handed out by [Maryland Governor Harry] Hughes's staff today made no mention of the [new two-cents-a-gallon gas] tax. The bill was referred to only as a "transporation funding measure. . . ."

*—Washington Post, May 21, 1982*

### *Not here, dear; we're in Guam*

■ A spokesman for Senator Jeremiah Denton (R-Ala.) had his hands full yesterday explaining that the senator—even though he has strong views on chastity—was not sponsoring legislation prohibiting "sexual contact" between consenting adults. . . .

[Denton's] amendment, read alone, appeared to ban "sexual contact with another person who is not his spouse" in federal territories (such as Guam) and on navigable waterways. Sexual contact was defined as touching designed to "arouse or gratify."

In fact, a Denton spokesman explained yesterday that, in the context of the overall criminal code bill, the amendment banned such conduct only when it was being forced on children by adults.

*—Washington Post, April 16, 1982*

### *They can also give you a quick tan*

■ Energy Secretary James B. Edwards, at a press conference in Richland, Washington: "Thank God for those nuclear weapons, because we'd all be in Siberia were it not for our nuclear weapons." At the same press conference, in praise of Reagan administration nuclear policies: "I think the future of nuclear energy is a glowing future."

*—Washington Post, May 24, 1982*

### *And George Will says we're undertaxed*

■ Spending by the federal, state, and local governments this year will total $1184.4 billion—about $5138 for each man, woman, and child in the nation. . . .

*—Detroit News, June 27, 1982*

### *Taxes cut, go up*

■ Almost all households with incomes under $40,000 a year will have their federal taxes go up instead of down this year despite the 10 percent income tax rate "cut" scheduled for July 1, according to a Treasury Department analysis.

The reasons are "bracket creep"—families move into higher tax brackets as their incomes rise with inflation each year—and scheduled increases in social security taxes.

*—Washington Post, June 13, 1982*



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**Carving up Lebanon . . .**

# Israel's onslaught

While bodies decompose in the shattered hospitals of Beirut and starving refugees flee the ruins of their towns and villages, it is not easy to sit back and calmly assess the consequences of the latest Israeli onslaught. It perhaps borders on the obscene for Americans to do so, given the crucial U.S. role in this latest atrocity. One's sense of despair and futility is enhanced by the generally uncritical coverage in the U.S. press. It took a British writer, John le Carré, to render an honest judgment: "The invasion was a monstrosity, launched on speciously assembled grounds, against a people who on the Israelis' own admission constitute no serious military threat. . . . It is the most savage irony that Begin and his generals cannot see how close they are to inflicting upon another people the disgraceful criteria once inflicted upon themselves. It is worse still that they have so far taken the Americans with them."

The last comment is largely true, despite some timid protests. While the European community "vigorously condemned" the Israeli invasion and called for the "immediate and unconditional withdrawal" of the invading army, the United States stood alone in vetoing a UN Security Council resolution condemning Israel for rejecting an earlier demand for withdrawal of Israeli troops. As the *New York Times* has noted, "Mr. Haig has seemed to show some identification with the Israeli cause," for example, when he told reporters that "we" lost a plane and a helicopter, referring to Israeli losses. His slip of the tongue captures the essence of the U.S. government response.

As for the press, headlines read "Israeli Jets Bomb Guerrilla Targets in Reprisal Strike" or "Israel Bombs PLO Targets" while in the small print we find that whole towns are leveled, hospitals struck, residential areas turned to rubble. Meanwhile the *New Republic* castigates the "brutal" PLO for "lur[ing] punitive Israeli bombs" to Lebanese "towns and villages." The tabloid press expresses with great clarity the attitudes barely concealed in the more measured tones of the quality journals. A seven-inch headline in the *Boston Herald-American* reads "TOP JEWS ON DEATH LIST," while, below, a quarter-inch is devoted to the insignificant fact that "Israeli retaliation raids kill 210." The *New York Post* features a four-inch headline reading "SECRET PLO DEATH LIST," over a picture of Beirut in flames. Arabs have been successfully dehumanized by a spectacular propaganda campaign extending over many years. In consequence, Israel can today massacre with impunity.

Imagine the response in the West if the PLO were to have bombed Israeli towns in "retaliation" for the death of a guerrilla killed by a land mine in northern Israel, or if the PLO gunboats regularly shelled Haifa, or sank Israeli fishing boats off the coast of Tel Aviv. There would be no limits to the horror over these sadistic acts. But the victims this time are Palestinians and Lebanese, so the horrors elicit only a muted response. Once the fighting dies down, attitudes here will no doubt return to those typified by the vote of the Senate Foreign Relations Committee to increase grant aid to Israel beyond the vast sums proposed by the Reagan administration, and by California Senator Alan Cranston's amendment requiring that U.S. economic assistance cover all Israeli debts, since, as he stated, "it is in our interest to have an economically and militarily strong Israel as our foremost ally in the region" and "Israel can't keep pace" with the Arab military buildup.

The efficiency of the Israeli military machine has elicited much admiration in the United States. Nonetheless an image has been constructed of a beleaguered Israel that wishes only peace with its powerful and vicious neighbors, who are committed to its destruction and backed by the USSR. Like most propaganda themes, this one contains a particle of truth but conceals a very different reality. It is remarkable to see the extent to which its various elements are believed. The scholarly literature as well as the media have largely excised from history the Israeli initiatives—called "retaliation" if even noted—in the escalation of terror and violence since the founding of the state, and before. Furthermore, Senator Cranston accurately expresses the dominant perception in the U.S. government when he describes Israel as a strategic asset. Since the late 1950s, American planners have regarded a powerful Israel as a barrier to radical Arab nationalism, and more recently as a base for the projection of American power in the Middle East and even in regions as distant as Africa. While relations have vacillated, this perception has increasingly come

"ACTUALLY, MENACHEM, IT'S 'IN THE WILDERNESS PREPARE THE WAY OF THE LORD,' NOT 'PREPARE A WILDERNESS IN THE WAY OF THE LORD....'"



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to the fore as Israel has manifested its power in the face of threats to U.S. domination of the Middle East. Thus we have Henry Kissinger coolly praising the latest Israeli invasion as "congruent with the interests of the peace process in the Middle East, of all moderate governments in the area, and of the United States."

Since shortly after the 1967 war, both major political groupings in Israel, Labour and Likud, have been committed to some form of effective integration of the presently occupied territories into Israel. With the coming of the Likud coalition to power and the exclusion of Egypt from the conflict, these steps have been rapidly accelerated in ways that are familiar. While the pretext is "security"—as for every action of every state—the motivating factors have been different: control over precious water resources, access to cheap labor and a controlled market, and simply more territory. The long-term logic of this program is that much of the indigenous population must be somehow removed. As former prime Minister Yitzhak Rabin explained, Israel must create "conditions which would attract natural and voluntary migration of the refugees from the Gaza Strip and the West Bank to East Jordan." Jordan must become the "Palestinian State" that Israeli propaganda already makes it out to be. Israeli military specialist Ze'ev Schiff recently observed that General Sharon was motivated to attack Lebanon by "the belief that quiet on the West Bank cannot be achieved merely by dismissing [Palestinian mayors] Shak'a and Khalaf but rather by the destruction of the PLO in Lebanon, and that the transformation of Jordan to Palestine will take place when the Palestinians will be uprooted from Lebanon." An Israeli success in Lebanon may therefore be expected to set the stage for more efficient repression in the occupied territories. Since military victory will also eliminate the last shreds of any security argument against granting full independence to the occupied territories, new prodigies of apologetics will be required to justify the Israeli insistence on annexing or controlling these territories.

As for Lebanon itself, from the mid-1950s Israeli planners at the highest level have aimed to dismember it and to install a Christian regime in the south that would be subordinated to Israel and would provide water-short Israel with control over the Litani river. In 1954 Ben Gurion called this aim "the *central duty*, or at least one of the central duties, of our foreign policy. . . . [W]e must act in all possible ways to bring about a radical change in Lebanon." A year later, Moshe Dayan proposed that "the Israeli army will enter Lebanon, will occupy the necessary territory, and will create a Christian regime which will ally itself with Israel. The territory from the Litani southward will be totally annexed to Israel and everything will be all right." [Quotes from the diary of Prime Minister Moshe Sharett.] These plans are now being realized.

Long-term Israeli aims are much broader. Shlomo Avineri, formerly director-general of the Ministry of Foreign Affairs and an Israeli "dove," suggests that a Christian state might be carved out of Lebanon "with the Moslem areas ceded to Syria," an "undesirable" solution but perhaps the preferable one. Ze'ev Schiff points out further that it is in Israel's interest to work for a partition of Iraq into Sunni, Shiite, and Kurdish states, one motive behind Israel's support for Iran. Similar plans are being envisioned for Syria; and as for a "Palestinian" Jordan, it will always be a potential target for eventual dismemberment under such "provocations" as those that have been concocted in Lebanon in recent months.

In this context, one should not lightly disregard the proposals of right-wing Israelis, which have often been mocked in the past before they were realized as state policy. In February 1982 the Information Bureau of the World Zionist Organization published an article by Oded Yinon in *Kivunim*, a journal described as "the ideological expression of the WZO." Yinon argues that Israel must restore the status quo that reigned in the Sinai before the "mistaken peace agreement" with Sadat. Egypt is weak ("a corpse"), and events will lead to Israeli reconquest of the Sinai. Furthermore, the dismemberment of Egypt should be "the political goal of Israel in the 1980s on its Western front." On the other fronts, Lebanon, Syria, Iraq, and the Arabian Peninsula must also be dismembered into smaller religious and ethnic "factors," as in the Levant during the Ottoman period. Jordan will be handed over to the Palestinians, and the population of the occupied territories will emigrate there, "the Arabs to Jordan and the Jews in the territories to the west of the river." With the separation of the two peoples, there will be "true peace." All of this is encased in ideological and geopolitical fantasies about the coming collapse of the West before the Soviet–Third World onslaught and about Israel's chosen role in defending European civilization.

The Israeli writer Amos Elon perceives in this sort of ranting "the spreading of irrationalism in our collective existence." One can observe such irrationality at the highest level of the military command, as well as in political circles—for example, when Chief-of-Staff Rafael Eytan states in the official army journal that "if the Russians start a war against Israel, the Israeli Defense Forces will win." Irrational it may be in the long run, but as long as the United States stands ready to back every successful military strike, every act of repression in the occupied territories, every further step toward the creation of a greater Israel, then Israeli intransigence and violence will only increase, until the day when the spreading regional conflict will finally bring Israel itself to disaster—and perhaps the rest of the world along with it.

**—Noam Chomsky**

**Fear and loathing in Philadelphia . . .**

# Babbling Democrats

The Democrats entered their 1982 midterm convention in June intending to develop new ideas to counter the increasingly vacuous Reagan Revolution. But they left spouting the same old nostrums that have caused persistent inflation and high unemployment at home, and increasingly dangerous meddling abroad. Virtually every likely presidential candidate was there, vowing fealty to justice, freedom, fairness, full employment, and peace, and trying to convince the voters to focus on Reagan's failures while forgetting the Democrats' own long record of disasters. The following were among the more interesting planks of the platform the delegates adopted:



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*Balanced budget.* The Democrats deplored federal deficits—that is, those run up by Republican Ronald Reagan. They said they recognized "that uncontrolled spending and massive deficits are not compatible with a strong national economy." But they neglected to point out who controlled Congress for most of the past half-century when federal spending grew from 3 percent of the GNP to 23 percent, and whose budget plans this year have consistently recommended high military spending and even higher spending for the expensive social-program failures that litter the budget.

*Public works jobs.* Apparently as part of their opposition to "uncontrolled spending," the Democrats advocated spending $7.5 billion to create 500,000 "socially useful" jobs. This is a bright, new idea, of course, if you forget the New Deal's WPA, and CETA—one of the most scandal-scarred programs in the federal government. The idea gets even brighter if you don't worry about where the $7.5 billion is coming from, since it can only come from increased taxes, borrowing, or deficit spending. All of these will squeeze out private investment and destroy private-sector jobs. Such government "jobs" programs are not uniquely Democratic in character; Republican stalwart Senator Richard Lugar recently pushed the housing bailout "jobs" bill. But they are all cruel hoaxes, reallocating, not creating, jobs.

*New tax policy.* The Democrats delivered their promised "new approaches" on taxes, all of them simply amounting to new methods of increasing taxes. They proposed eliminating some of the so-called business tax cuts, and capping the 1983 individual tax cut, even though individual after-tax income has fallen continuously since 1975. They also talked of a modified flat-rate tax, with at least one extra level for the "rich," of course, that would generate "enough" money (translated from Democratese to English—"more" money) to finance their programs.

Not that this is the worst they could have recommended. Senator Edward Kennedy demanded the repeal of the third year of the "Reagan tax giveaway." Unfortunately, he forgot to explain: giveaway to whom? From the government that is entitled to the taxpayers' entire earnings to the taxpayers who are entitled to none? We thought people worked for themselves, not for the government.

*Investing in our people.* The Democrats believe that meeting the challenge of the future "will demand an investment in education and job training beyond anything we have done before." Few would disagree, but who should decide which investments, and who should pay for them? The Democrats naturally believe the government should decide and have the taxpayers pay. They also want, as part of what Senator Kennedy referred to as "a new industrial policy," to direct credit toward "productive investment." In short, the politicians and bureaucrats, who have a monopoly on foresight as well as on taxpayers' resources, would decide America's educational, occupational, and economic future for the rest of us.

Unfortunately, they act as if we weren't living in the shadow of perpetual government failures. They will simply take capital and labor away from the highest economic uses and put them to the highest political uses. Just trust those fine planners, who are responsible for energy shortages and gas lines, persistent inflation and frequent recession, and massive waste and fraud, to take care of everything.

*Equal pay.* The Democrats are "committed to the principle of equal pay for work of comparable value." Apparently the government would decide that nurses "deserve" to be paid as much as truckers, irrespective of what employers and employees think. No one would have to worry about the marketplace; they would simply have to convince politicians that their jobs were "worthy." In fact, the idea has a certain attraction: Magazine editors certainly "deserve" to get paid as much as championship boxers.

*Foreign policy and arms control.* The Democrats support "a mutual and verifiable freeze," but at no point do they question the global interventionist strategy that has dominated American thinking since World War II. All they say on El Salvador is that U.S. military aid should be terminated if that country doesn't behave (observe "human rights," engage in "reforms," etc.). Apparently it's fine to force taxpayers to finance authoritarian governments and promote armed conflicts, as long as one likes the regime in question.

*Making government work better.* How could Americans have dealt with periodic crises, the Democrats ask, "if our national leaders had held a rigid and outmoded ideology of hear-nothing, see-nothing, do-nothing federal government"? Indeed, what would life be like without overbearing bureaucracies, perennial inflation, and foreign adventurism? The Democrats believe "the challenge now is to continue to meet the imperative of national (economic and social) standards while fully actualizing the potential for state and local creativity."

Unfortunately, the word "freedom" seems to be missing from the Democrats' lexicon. The purpose of government apparently is to eliminate, rather than protect, freedom—in the "public interest," of course. For the Democrats, if a group wanting something is an opponent, it is a special interest; if a group requesting federal largesse is a supporter, it's representing the public interest. As Senator Alan Cranston explained, business, labor, blacks, Hispanics, women, and all minorities are not special interests—they represent the common good.

Indeed, this illustrates the fundamental problem of the Democrats, as well as the Republicans. They have no consistent philosophy or policy, other than grabbing the levers of power to help whatever groups will vote for them. Such a program may be fine for getting elected, but it hardly seems appropriate for leading America in the years ahead. ■

**Califano's dream fix . . .**

# Mixing heroin and booze

Joseph A. Califano, Jr., Carter's secretary of health, education, and welfare, the former three-pack-a-day man who shared with us his startling discovery that smoking is harmful to our health, has just released another bombshell. In a report commissioned by Governor Hugh Carey of New York, health-hound Califano—Carey's special counselor on drug abuse and alcoholism—concluded that "addiction sends thousands of Americans to hospitals each day. It fills our jails with alcoholics, heroin addicts, and other drug



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abusers. The crime it spawns terrorizes our citizens and destroys neighborhoods."

The most striking aspect of the Califano report—its observations and recommendations are based on the same tired lies and hyperbole we've heard too often before—is the unique juxtaposition of the heroin and alcohol problems, and the entirely different course of action recommended for each. It is this juxtaposition which illuminates with special intensity the hypocrisy and duplicity of the government's drug policies. For example, Califano wants to curb the use of alcohol, noting that there are 13 million Americans "addicted to alcohol or [who] abuse it." He recommends substantially raising federal and state alcohol taxes to provide revenue for government programs and to help reduce "excessive consumption." This is nothing new; it's the same tack taken in Eastern Europe, where alcoholism is rampant and disproportionately high prices appear to have had little if any effect on consumption.

Califano has an entirely different strategy for curbing heroin use by an estimated 450,000–600,000 heroin addicts nationwide, and one out of every 40–43 New York City residents. He urged "swift, sure, and severe punishment for drug offenses," including "tough laws" against drug possession and sale, and the commitment of resources "to arrest, convict, and imprison those who violate these laws." This also is nothing new. Since the passage of the Harrison Act in 1914, which banned heroin, nearly $100 billion has been spent on drug enforcement—to no avail. The government's own statistics for this period indicate that, as a fraction of the population, the number of heroin users has remained constant. What has changed is the composition of the user population: from predominantly law-abiding and often middle and upper class at the turn of the century, to the generally poor and those who engage in crime, often to support drug habits. Califano seems to be proposing a two-tiered code of ethics: one for the government and one for the individual. He would have us believe that the government is somehow beneficent when it profiteers from alcohol sales, despite his contention that "alcoholism is one of America's four top diseases." Conversely, Califano wants us to "arrest, convict, and imprison" those who make a similar profit selling heroin.

This seeming inconsistency has little to do with the specific substances or their users per se. Instead, it has everything to do with the political exploitability of the different drugs.

For instance, there is little political gain to be had from exploiting alcoholism. Alcohol has already been banned once; Prohibition quickly proved to be a dismal failure. Today people recognize alcoholism as a misfortune, but basically accept it as a longstanding, ineradicable societal phenomenon. The political spoils from exploiting heroin, on the other hand, are immense: Heroin is the politician's best friend. There are few better ways to get elected, or to stay in power, than to rant and rave about heroin, call for its elimination, and demand the incarceration of those who sell it and the forced "rehabilitation" of those who choose to use it. Every president in recent memory has exploited the heroin issue to some degree, and President Reagan is no different. He has formed his own White House Drug Abuse Policy Council and deputized Nancy to make the rounds at drug rehabilitation centers. He has even unleashed Attorney General William French Smith, who fulminated in Hot Springs, Virginia, that "Clearly we have been losing the battle against drugs. But just as clearly this is a war this nation can not afford to lose— and it is one this administration does not intend to lose."

Unfortunately, lost behind all the false rhetoric about heroin are some very real people with alcohol and drug problems. Fortunately, they don't have to look to the Drug Abuse–Industrial Complex for help; voluntary self-help organizations, such as Alcoholics Anonymous, and the newer Narcotics Anonymous, have enviable records of success. But their success will probably never stand in the way of self-serving politicians and bureaucrats who want to exploit the drug issue for their own gain. ■

## SHORT TAKES . . .

# John Hinckley's inanity defense

■ **IF JOHN HINCKLEY HAD SHOT AND** wounded a computer programmer, two housewives, and a Fuller Brush man, and then had been found not guilty by reason of insanity, we might never have heard about it; but the verdict would have been equally bizarre. The strangest aspect of the Hinckley trial was not the defendant's erratic behavior, but rather the legal doctrine requiring the prosecution to prove beyond a reasonable doubt that Hinckley *was not insane*. The rule that an accused person is to be considered innocent until proved guilty is a cherished legal safeguard, of course, but one that is ultimately based on the natural and commonsense observation that a vast majority of people in a given society are law-abiding and rights-respecting. Perverting this principle, by presuming Hinckley to be insane, moves us toward a sort of Alice-in-Wonderland-turned-nightmare society in which we're all crazy, and therefore not responsible for our own actions.

In fact, the whole concept of insanity has been badly abused in the past not only by defendants in criminal trials, but also *against* defendants in civil-commitment proceedings. Where inanity is seen to equal insanity, and eccentrics are involuntarily imprisoned (or "committed," if you prefer euphemisms), one is on a slippery slope toward the overt politicization of psychiatry, and the punishment of anyone who acts or thinks in an unusual way.

In particular, as the Hinckley verdict underscores, the insanity defense is an idea whose time has gone. Hinckley was guilty, even if he was insane—which we rather doubt. We tend to agree with *INQUIRY* contributing editor Dr. Thomas Szasz, who is fond of saying, "If a man claims he is Jesus Christ, psychiatrists and lawyers say he is crazy. I say he is a liar." Hinckley may have been erratic, disturbed, and bizarre. But he fully realized what he was doing, and that it was wrong; he even had a logical, if skewed, purpose for doing it. There may be something to be said for treating people who are really insane differently, after they are convicted of a crime. But to allow the John Hinckleys of the world to escape responsibility for their own actions protects no one, and makes no sense at all.



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■ **THE CALIFORNIA SUPREME COURT** doubled the list of June's bizarre legal decisions by declaring that the City of Oakland, California, has the right to use eminent domain to take over its footloose professional football team, the Raiders. The owner of the Raiders had wanted to move the team to Los Angeles, but the city council instituted eminent-domain proceedings. City attorneys claimed that Oakland was entitled to take the team because otherwise the city would suffer actual harm—the team not only provides an estimated $30 million' worth of revenue, but also a "social, cultural, and psychological" identity for the city (a city of which Gertrude Stein once said, "There is no there there"). Incredibly, the court agreed, admitting there was no precedent for its decision. "Times change," the court wrote, and added to that powerful legal argument the observation that there was no specific state or federal law to prevent a city from taking over a football team for a "public use."

The opportunities for *reductio ad absurdum* in this decision are rampant. For example, everyone knows that a football team is only as good as its players; so if Oakland can take over the Raiders for public use, then presumably such star players as fullback Mark van Eeghen and defensive lineman Ted Hendricks can be indentured to the city indefinitely. Should they escape and make their way to Los Angeles on their own, Oakland could recapture them and bring them back in chains. There's even a real legal precedent for that: the *Dred Scott* decision.

More seriously, there is real danger in the very concept of eminent domain. If the government has the right to take property, then its limits are proscribed only by what the public will allow it to get away with. Traditionally, the doctrine of "public use" was strictly limited by the courts. But in recent years restrictions have been increasingly abandoned.

This rapidly expanding definition of "public use," along with the increasing willingness to take different forms of "intangible assets" as well as real property, may lead to a time when a government may take any property, at any time, for virtually any reason. And that's absurd.

■ **LOYAL READERS WILL RECALL OUR** June short take on deep underground missile basing (DUMB), a Pentagon project to store missiles, crews, and tunneling equipment far beneath the earth's surface so that, in the event of an all-out nuclear attack, we'd still have something left with which to retaliate. Now the Pentagon has another idea to play with, "Dense Pack," in which MX missile silos will be built 2000 feet apart. That way, when the individually targeted Soviet warheads come in, they'll explode so close together that they'll blow themselves up while doing no damage to our side.

Well, almost no damage. The explosion would leave a cloud of "dust and nuclear debris." But the silver lining on that cloud is that it would screen our missiles from further attack, while allowing them to be launched. Except that the Soviets could detonate other, high-altitude missiles to produce electromagnetic pulse effects to keep our missiles in their silos until the dust cloud settled. If they were going to do that, then we'd have to build another defensive system to keep the Soviet high-altitude missiles away.

The theoretical moves and countermoves in all of this could presumably go on into infinity, but, as one Pentagon analyst put it, "We either go with this or allow the land-based leg of the strategic weapons triad to atrophy." Given such a choice, and given that we'd still have bomber and submarine-based missiles to guarantee a devastating retaliatory capacity, we'll take atrophy.

■ **WITH THE END OF THE DRAFT IN 1973,** draft prosecutions effectively came to an end. But Ronald Reagan restarted them in June, threatening to reignite the divisive conflict between generations that wracked America in the 1960s and early 1970s.

Draft registration and the draft pose a fundamental threat to individual liberty—in Reagan's own words, registration "destroys the very values that our society is committed to defending." But apparently those values became a little less important when the generals marched into the Oval Office demanding yet more control over American life. Ironically, registration isn't even worth much militarily, cutting but a couple weeks off the more than three months necessary to induct and train draftees; the Pentagon really just wanted to show the Soviets that we are "tough."

Keeping registration and beginning prosecutions—so wrong, so unnecessary, and so unfair—belie Reagan's persistent rhetoric about personal freedom. When his presidency founders over his decision to treat young people as government chattel, he will have no one to blame but himself. It's Ronald Reagan's draft now.

■ **WHEN ALL IS SAID AND DONE, WE MAY** end up missing Al Haig. We will certainly miss the moments of levity he brought to an administration that, like its predecessors, takes itself too seriously. Whether it was his endearing "Haigspeak," his shrill battles with other top administration officials, or his attempted coup d'état after the Reagan shooting, Haig provided plenty of good copy.

But not much in the way of good policy. From the beginning, he helped shape the foreign policy of the Reagan administration into a Manichaean battle against the Soviets and "Soviet-backed international terrorism." He assailed Reagan's decision to lift the grain embargo, even though it was hurting us more than it was hurting them. He stalled on arms talks, defended the first use of nuclear weapons, and rattled the saber repeatedly over El Salvador, Nicaragua, and Cuba. And as Israeli tanks mauled Lebanon, Haig cheered them on.

The irony is that Haig was considered one of the more "moderate" voices within the administration. We can't help doubting that George Shultz, praised by all sides as a "team player," will do much to turn around a foreign policy that appears to be heading inexorably toward disaster. So while we fervently hope otherwise, we may, in the not-too-distant future, unexpectedly find ourselves longing for the "good old days" of Al Haig.

■ **LEONID BREZHNEV, PEACEMAKER. IT** has a nice ring to it. Strange, then, that the KGB would feel it necessary to threaten with arrest eleven Soviet citizens who were attempting to start an independent peace movement. The crime? Violating the prohibition on "the unwarranted exercise of a real or supposed right."

We shouldn't be surprised that totalitarian thugs fear any expression of individualism, however limited. But that it can be wrapped in such hypocrisy still amazes us. Of course, perhaps we should look at the bright side of things. In Stalin's time, the eleven would have simply disappeared. Now they may only serve a few months in the Gulag. ▣



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# Letters

### *Thank the prime minister*

In its analysis of the battle for the Falkland Islands, *INQUIRY* opines that "the least appropriate course of action is war."

After a six-months-to-a-year debate in the United Nations, Argentina would have had ample time to import settlers to the now-Malvinas. In a plebiscite supervised by the UN, 5000 Juanitos-come-lately would outvote 1800 Kelpers, and a supervisory commission composed of Yasir Arafat, Muammar Qaddafi, and Idi Amin would report that those principles of democracy and self-determination so cherished by the UN demanded a ratification of Argentine sovereignty, and from *Pravda, Izvestia,* the *Washington Post,* and the National Council of Churches would come loud hosannas of praise.

Their view is not, of course, without historical precedent. In 1936 an up-and-coming Adolf Hitler reoccupied the Rhineland. History has indicated that a decisive move by France would have produced an immediate retreat, and, quite possibly, the downfall of Hitler. It was not to be. In Paris the diplomats and the generals, the Gamelins, Weygands, and Pétains, assured and reassured each other that "the least appropriate course of action" would be war.

Today, thanks to a prime minister who remembered the harm wrought by Chamberlain, there may have been tens of thousands of lives saved, those who would have died as Spain seized Gibraltar, as Guatemala moved on Belize, and as Venezuela smashed into Guyana. That last would have been a real wingding; a leftist government would with delight have welcomed Cuban and Soviet aid. Thanks to Margaret Thatcher and a gallant British task force, Venezuela will not take its place in line behind Poland and Serbia.

"The least appropriate course of action is war!" It certainly has a ring to it. To avoid even an appearance of chauvinism, let it be made clear that it is not only Britons and Frenchmen who have yielded to its siren song; there have been Americans too. *INQUIRY* belongs in better company.

*John V. Fels*
*Phoenix, Ariz.*

### *A "right" to self-determination?*

The editorial [June] refers to "the unconditional right of the people of the Falklands to determine their own form of government." No majority of a people have the right to construct any government form over the lives of those who do not give consent. If the "will" of the people of a former colony is to have a communist or fascist or theocratic form of government, by no means can any "right" be attached to that action.

The "right" to National Self-Determination, like the right to medical care, the right to an education, the right to a minimum wage, and other concepts which require collective domination of individual liberty, are pure collectivist myths.

*Don Ernsberger*
*Warminster, Pa.*

*Mr. Fels's suggestion that Margaret Thatcher sent the British fleet to the Falklands to prevent Soviet tanks from rolling into Caracas hadn't occurred to us. Nevertheless, we find such speculation about what might have happened to be, ultimately, beside the point. Why must British citizens and taxpayers be forced to pay, fight, and die for Guyana, Belize, or the distant cluster of frigid rocks that are the Falkland Islands? We can do nothing other than deplore the loss of life resulting from a clash between, essentially, two colonial governments. Obviously, neither the Argentines nor the British bought the idea that war was "the least appropriate course of action." But the United States government, instead of becoming a British accomplice, should have observed a policy of absolute, rigid neutrality in a conflict in which neither side was in the right.*

*Mr. Ernsberger essentially criticizes us, not without validity, for failing to offer a precise definition of "self-determination." We certainly agree that a majority does not have the right to coerce a minority, and we view with horror the many times postcolonial governments have engaged in systematic repression of their political opponents and other minorities within their own countries. We do, however, acknowledge the right of a group of people to free themselves from external control and determine by consensus the legal rules for their own society. We hope that, some day, the people of the Falklands will have an opportunity to do just that.* —*THE EDITORS*

### *Israel's ultimate purpose*

My only criticism of your editorial denouncing Israel for its attack on Lebanon [July] is that the editorial did not go far enough.

Israel's "ultimate political purpose" goes beyond installing a friendly government in Lebanon. Since its inception, Israel has attempted—with some success (particularly in Lebanon and Egypt)—to create sectarian conflicts between Muslims and Christians. In the present conflict, the Israelis are working toward this purpose through the Phalangists, who are composed primarily of Maronite Christians. The Phalangists do not represent all Maronite Christians and certainly do not represent all of Christendom in Lebanon. Many Christians are fighting alongside the Palestinians and Syrians, and in fact *are* Palestinians and Syrians. Therefore, although Israel likes to portray itself as the protector of Christians, Arab Christians suffer the same as Arab Muslims under Israeli control.

Secondly, a scan of the memoirs and writings of Zionist leaders will show that, from the very beginning, Israel has had expansionist goals in the Middle East. That such goals exist is confirmed by modern-day Israeli leaders such as Ariel Sharon, Moshe Ahrens, and Menachem Begin. Begin recently stated on "Meet the Press" that there would be no annexation of the West Bank because a nation cannot annex what already belongs to it. Obviously, then, talk about a Palestinian state on the West Bank is wishful thinking.

The sum of such purposes begs the question: Who is driving whom into the sea?

*Roberta L. Coles*
*Madison, Wis.*

*See the guest editorial by Noam Chomsky on page 3.* —*THE EDITORS*

**Letters to the editor should be addressed to *INQUIRY* Magazine, 1320 G Street S.E., Washington, D.C. 20003. The editors reserve the right to edit letters for length when necessary.**



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First Amendment

# The First Amendment wins one

*NAT HENTOFF*

ON MAY 14 IN WASHINGton, U.S. District Judge Barrington Parker was presiding over the trial of John Hinckley. During a break in the proceedings, Judge Parker issued a ruling in another case. He declared an act of Congress—informally known as the Blitz amendment—to be flatly, flagrantly unconstitutional, an egregious violation of the First Amendment.

Since this act had been passed without dissent in either House or Senate, the judge's action was, in effect, an indictment of Congress for stunning ignorance of the Constitution. Yet Judge Parker's opinion was given only a cursory treatment in the press. The *New York Times* ran a brief, wire-service account on an inside page, and the *Washington Post* printed the news in its Metro section, as if the judge's overthrowing of this national law were of only local interest. Nor was the story given much attention anywhere else in the nation—in print or on radio and T.V.

Actually, however, the poor coverage of the Blitz amendment's death was in keeping with the scant attention paid to this attempt to punish speech—and only speech—from the beginning of its history in Congress. One of the few exceptions to the somnolence of the press on this matter has been *INQUIRY* [April 13, 1981; April 26, 1982].

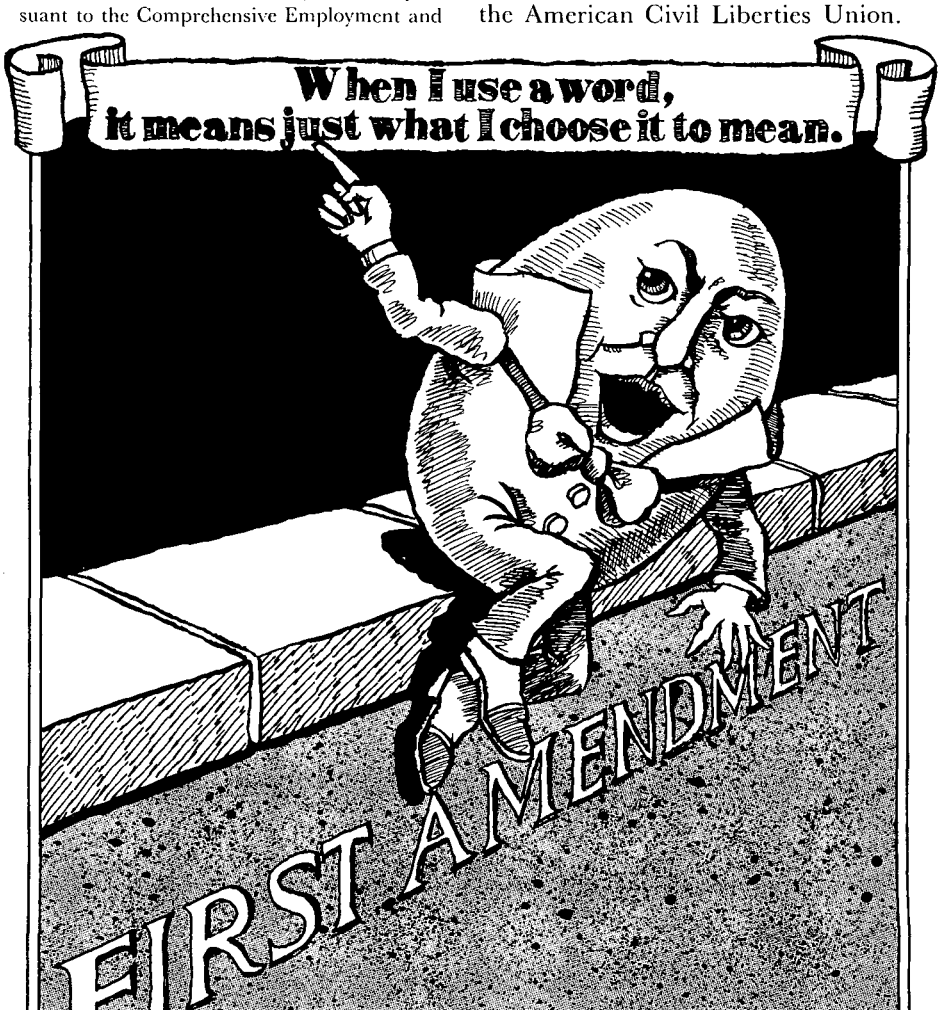
In essence, the Blitz amendment was the creation of a Virginia congressman, Dan Daniel, who had been shocked and dismayed to learn where some Comprehensive Employment and Training Act (CETA) money was going. One of his constituents, Dorothy Blitz, was benefiting from CETA funds as she trained to be a bricklayer while she was also an outspoken member of the Communist Workers Party. Among that political cadre's articles of belief is that someday a revolution will be necessary in this land so that the workers can create a government that will be responsive to them. It is likely, the party theory goes, that this revolution will be violent because those who must be dislodged from power quite probably will resist the revolution.

Said Representative Daniel: "Individuals whose stated policy is the overthrow of our system should not be the beneficiaries of our system." He then introduced a law, as a rider to appropriations for CETA, that said with admirable clarity:

> None of the funds appropriated or otherwise made available by this Act may be used, pursuant to the Comprehensive Employment and Training Act, for the participation of individuals who publicly advocate the violent overthrow of the Federal Government or who have, within the past five years, publicly advocated the violent overthrow of the Federal Government.

No member of the House or Senate objecting, the Blitz amendment was signed into law by President Reagan on December 15, 1981. Dorothy Blitz meanwhile had taken a leave of absence from her bricklaying classes to have a baby. When she reapplied early in 1982, she was told that she would be dropped from the training program unless she affirmed that she had not advocated the overthrow of the federal government within the past five years and that she was not advocating such a thing at that very moment. Dorothy Blitz refused to conform with this new law. She claimed she had the right to participate in CETA programs "no matter what" her political beliefs and associations. So she went to court.

At a hearing before Federal Judge Barrington Parker on April 1, the deputy assistant attorney general, Richard K. Willard, was in a rather awkward position as he sparred with Dorothy Blitz's counsel, Mark Lynch of the American Civil Liberties Union.




PAT MORRISON

*NAT HENTOFF writes a bimonthly column on civil liberties for INQUIRY. His books include* The First Freedom: A Tumultuous History of Free Speech in America.



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On the face of it, the Blitz amendment was hard to defend because in a landmark case, *Brandenburg* v. *Ohio* (1969), the Supreme Court had declared that mere *advocacy* of violence is indeed protected by the First Amendment. The only time that advocacy of violence can be punished, the Court had continued, is when it is not "mere" speech but is actually "directed to inciting or producing imminent lawless action and is likely to incite or produce such action."

But there was no evidence at all that Dorothy Blitz had been trying, at any time during the past five years, to incite anybody to do anything violent. She was thinking of some indeterminate future action when enough of us folks were ready for it. As her court papers said, "She does not advocate and has never advocated violent revolution at the present time because the majority of Americans do not yet understand that revolution, violent or otherwise, is in their best interests."

Unable to argue that the Blitz amendment *as written* was constitutional, since it sweepingly prohibited abstract advocacy that the Supreme Court had allowed in *Brandenburg*, the Justice Department tried a rather bold maneuver. The deputy attorney general said that his immediate client, Secretary of Labor Raymond Donovan, who administers CETA, had interpreted the Blitz amendment to mean exactly what the *Brandenburg* decision said, that the government may only punish speech that is directed at or is likely to produce "imminent lawless action." When you read the Blitz amendment that way, he said, it certainly is constitutional.

*HUMPTY DUMPTY WOULD* have approved this approach to constitutional law. ("When *I* use a word, it means just what I choose it to mean.") But Dorothy Blitz's lawyer did not—arguing strenuously that this sudden new construction of the Blitz amendment is "totally, completely, radically, and diametrically opposed" to the actual language of the law as passed by Congress. And indeed, what little legislative history is available from comments on the floor indicated that Congress did *not* want to legislate *Brandenburg*. It obviously wanted to punish anyone who simply advocates violent overthrow of the government.

Now, why would a deputy assistant attorney general play this kind of word game? Because it is not good politics for a member of the executive branch to embarrass the entire Congress of the United States. And maybe he thought he could get this curve ball by Judge Parker. After all; as the man from the Justice Department told the court, the custom is for judges "to try to construe statutes in a manner to make them constitutional rather than unconstitutional."

**Judge Parker emphasized that nothing in the legislative history of the Blitz amendment supported Donovan's interpretation of the bill.**

The government's three-card-monte game did not work. On May 14 Judge Parker began his opinion with a quotation from retired Supreme Court Justice Potter Stewart, who had ruled in a 1972 case (*Perry* v. *Sindermann*) that

> [the government] may not deny a benefit to a person on a basis that infringes his constitutionally protected interests—especially, his interest in freedom of speech. For if the government could deny a benefit to a person because of his constitutionally protected speech or associations, his exercise of those freedoms would in effect be penalized and inhibited.

From that point on, it was all downhill for the government. Judge Parker noted only that he understood why the secretary of labor had tried to "interpret" the Blitz amendment as he did. What choice did he have? "He does not contend that a plain reading of the amendment could possibly withstand constitutional scrutiny. The reason is simple. The First Amendment clearly bars the government from penalizing mere advocacy of any idea, including violent revolution."

And the Blitz amendment clearly, unequivocally—despite what the secretary of labor says—"does not draw a line between mere advocacy and advocacy which incites and is likely to produce violent action and cannot, therefore, withstand the *Brandenburg* test." Nor can it be read, in any way, as being close kin to *Brandenburg*.

Judge Parker went on, in very plain language, to accuse the secretary of labor of having "rewritten the amendment in order to conform to the *Brandenburg* test."

Obviously quite exercised at the secretary's cavalier adoption of Humpty Dumpty's rules of language, Judge Parker then emphasized that nothing in the legislative history of the Blitz amendment supports Donovan's rewriting of the bill, and therefore, "The secretary's interpretation is simply woven from whole cloth."

Parker did something else. As he pointed out, he did not have to go beyond what he had already said to strike down the Blitz amendment as "clearly unconstitutional." But, he added, "in light of the principles of constitutional law raised by this case" (though beyond the ken or interest of most of the press), the judge tried a hypothetical. Let us suppose that the secretary of labor's interpretation of the Blitz amendment *is* valid. Does that mean that someone could be denied a government benefit even if he engaged in the kind of advocacy of violence that is *not* protected under *Brandenburg?* Suppose Dorothy Blitz had indeed tried, with words alone, to incite imminent violent action—with a good chance that she'd succeed. Could she be thrown out of her CETA bricklaying classes in that event?

*JUDGE PARKER HAS HIS* doubts as to whether the exercise of even unprotected speech can justify government prohibition not only of the speech but also of whatever government benefits the agitator may be receiving. That is, can this kind of double penalty of speech be constitutional?

The judge posed that provocative question just in passing, and I mention it here because Parker's intriguing challenge to other judges in this regard was not reported.

At its conclusion, the judge's opinion returned to the notion propounded by Dan Daniel, creator of the Blitz amendment, that Congress did "not want people who are paid by the government to advocate the violent overthrow of the government." Well, said Judge Parker, "while CETA workers who advocate the violent overthrow of



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the government might be ingrates, the Constitution protects them as well as the appreciative."

Dorothy Blitz went back and completed her CETA bricklaying class. And it does not look as if the government will appeal Judge Parker's ruling—although Representative Dan Daniel has urged that the Justice Department do just that. Understandably, the congressman is greatly annoyed at what has happened to his cherished legislation. In the May 18 *Congressional Record*, Daniel warned his colleagues:

> It has often been said that if our system is ever overturned, it will be in large part as a result of action from within. Bit by bit the underpinnings of our system are undermined—and if this decision is carried to its logical conclusion by all those who may be encouraged by it, that day of ultimate destruction may be closer than we think.

There are those, however, who believe it is legislators like Dan Daniel who undermine our system by trying, as in this instance, to constrict and punish freedom of expression. If Judge Parker had indeed upheld the Blitz amendment, Dan Daniel was quite prepared to expand the legislation to cut off a myriad of other government benefits—from food stamps to aid to families with dependent children—to anyone merely *advocating* violent overthrow of the government. This, of course, would have required loyalty oaths and a battery of government functionaries to check out the purity of political thought of all citizens receiving any of those benefits.

The history of the Blitz amendment is instructive on a number of counts. First of all, while it is true that many members of Congress were initially unaware of the significance of this punitive legislation (it whizzed by them as a rider to a huge, complex continuing appropriations resolution), many members of the House and Senate were eventually informed of how serious an assault it was on the First Amendment. They were informed by the ACLU, the National Committee Against Repressive Legislation, and other lobbyists for the Bill of Rights.

Yet no member of Congress moved to strip the Blitz amendment from the appropriations resolution when it came up again on March 31. They didn't dare. As a staff member of the Senate Appropriations Committee told me, "These guys, especially in an election year, are not going to get up on the floor and say they support the idea of federal money going to people who talk about overthrowing the government. The First Amendment is not going to get them reelected."

Mark Lynch, Dorothy Blitz's ACLU lawyer, agrees. "This is a classic case," Lynch says, "of the importance of an independent judiciary in our system. What Barrington Parker did is precisely what the framers of the Constitution had in mind—the judiciary acting as a check against legislators going along with majoritarian prejudices. The First Amendment was saved from serious injury this time because of a life-tenured judge whose fidelity is to the Constitution—not to the next election."

**'The First Amendment was saved from serious injury this time because of a life-tenured judge whose fidelity is to the Constitution.'**

Lynch is hardly sanguine that the concept of the Blitz amendment has been interred for good by Judge Parker. "There will be other attempts to punish speech," he says. "We could win a dozen of these cases, but the next time another Dan Daniel comes up with any variant of the Blitz amendment, few congressmen will actively oppose it. The political risk is too great. It's a killer for a politician."

*ON THE OTHER HAND*, while fervent protectors of the First Amendment are in the minority in the Republic, there are enough of them to possibly strengthen the resolve of some congressmen in these matters. But when the press is asleep, as it was throughout the odyssey of the Blitz amendment, there is no way for the First Amendment's basic constituency to be alerted to contact their representatives on the Hill. Thomas Jefferson, who largely despised the press, nonetheless considered it a vital element in this "peculiar experiment," democracy. If the citizenry were informed as to what's going on, Jefferson believed, enough of them would have the good sense to keep our system, particularly the Bill of Rights, from being dismantled.

On the Blitz story, the press let Tom Jefferson—let alone their current readers and viewers—down.

In fairness to a sizable number of congressmen, it should be said that not everyone on the Hill went along with the Blitz amendment out of fear. Some did so out of conviction. Consider, for instance, Wisconsin Senator William Proxmire, who took over Joe McCarthy's seat in that great deliberative body and is widely, if not always accurately, regarded as a fighting liberal. (Not that liberals are notably sensitive to civil liberties. Ted Kennedy, for example, is one of the chief architects of the Criminal Code Reform Bill, which would transmogrify much of the Bill of Rights.)

Anyway, it was Proxmire who, at one point, said on the Senate floor of Dan Daniel's handiwork: "I do not know how anybody could possibly object to this amendment." When one of Proxmire's constituents actually did object, citing First Amendment history and the *Brandenburg* decision, the senator wrote back to say that while "abstract advocacy of revolutionary conduct" is indeed constitutionally protected speech, it's still okay for the government to exclude such advocates from the CETA program because "nobody is entitled to a government job."

True, but when a government job, or other benefits, is available, nobody, as Judge Parker ruled, can be denied that job or benefit solely because of political beliefs. Presumably that is one of the basic distinctions between this nation and many others.

Proxmire's constituent was unpersuaded by the senator's persistent defense of the Blitz amendment, and told him: "It is probably true that the majority would support [your interpretation] of the Daniel amendment. The majority supported the McCarthy red hunts and the Salem witch burnings. Your function, as an enlightened representative, is precisely to protect *all* your constituents from the tyranny of the majority."

That constituent is a real revolutionary, American-style. ▣



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Politics

# Who's afraid of defense reform?

*JONATHAN MARSHALL*

*SKIMMING THE WAVES A* mere fifteen feet above one of the world's cruelest oceans, with his windshield obscured by sea spray, an Argentine pilot closed in on the unsuspecting British naval task force off the Falkland Islands. Popping up to 500 feet, he fired a French-made Exocet missile and then dropped from view. Minutes later the missile ripped into the hull of the H.M.S. *Sheffield*, killing twenty sailors and eventually sending it to the bottom. Three weeks later another Argentine pilot destroyed the container ship *Atlantic Conveyor*, again with a single missile.

The dramatic ability of the $250,000 Exocet to vanquish modern warships costing upwards of a quarter of a billion dollars drew rave reviews from military pundits and prompted them to rethink military doctrines. As usual, however, no one could agree on the lessons. Some defense critics maintained that the day of the big-ship navy is over; others pleaded for stepped-up outlays for antimissile missiles, electronic-warfare devices, and other technological fixes. And then there was Admiral Thomas Hayward, chief of naval operations, who found the British experience no cause for alarm: "I'm comfortable we're building the right kind of navy."

For all their disagreements, these defense analysts and armchair warriors all share the American preoccupation with getting "more bang for the buck." They join a long and illustrious line of would-be economizers. Senator Harry Truman made his national reputation during World War II by vigorously ferreting out procurement fraud and waste. In the 1960s Defense Secretary Robert McNamara commanded phalanxes of "whiz kids" who fought to straighten out management practices and cut costs, only to be defeated by the Vietnam War. Now we have Caspar "Cap the Knife" Weinberger promising to tame a bureaucracy that spends more than twice the GNP of India. In April 1981 he appointed a new assistant secretary for review and oversight to root out "waste, fraud, and abuse in programs and operations." Ironically, Weinberger had spawned a new bureaucracy to fight the old one.

All this talk of cost control hasn't silenced the legions of Pentagon critics, who insist on applying President Reagan's strictures against big government to the biggest department of them all. In June 1981 the chairman of the House Government Operations Committee, Jack Brooks (D-Texas), blasted the Defense Department's penchant for awarding noncompetitive contracts, and called into "serious question" Weinberger's "pledge to attack [mis]management and waste. . . ." Senator Barry Goldwater (R-Ariz.) joined his liberal colleague from Ohio, Howard Metzenbaum, in complaining to Weinberger that "waste and inefficiency have, over the years, become a way of life for too many in the department. The nation cannot afford to permit this situation to perpetuate itself any longer." And David Stockman, who once waged guerrilla war against the defense budget from his outpost at OMB, maintained in his famous *Atlantic* interview that "there's a kind of swamp of $10 to $20 to $30 billion worth of waste that can be ferreted out if you really push hard."

As the federal government's deficit pushes into the twelve-digit range, even normally hawkish conservatives have begun to scrutinize the defense budget more closely. The problem is, everyone wants to cut the fat but few have any concrete idea of just where to find it. Now, at last, the Pentagon's critics have coalesced into a formidable, if informal, movement with coherent aims and wide influence in the press and in Congress. They are challenging military planners on the Pentagon's own turf and offering concrete measures to increase the effectiveness and decrease the cost of our armed forces.

The "military reformers," as they are called, find their most potent allies in the congressional military-reform caucus, a group of up to fifty members of Congress spanning the ideological spectrum from former McGovern aide Senator Gary Hart (D-Colo.) to right-wing Representative Newt Gingrich (R-Ga.), a self-styled "cheap hawk." The reform caucus has prepared a standard briefing-cum-slideshow, which sets out their basic concerns with stark simplicity: "First, we are worried that our military can no longer win. Second, we have doubts as to whether the American people will continue to support high and increasing budgets for a nonwinning military." Caucus members, like the reformers in general, differ in their particular concerns. Most, however, would like to see the officer corps trained as warriors rather than managers; they would replace the military's commitment to attrition warfare with the strategy and tactics of maneuver; and they would dispense with complex, "gold-plated" weapons systems in favor of cheaper, more reliable weapons that actually work on the battlefield.

The bible of the movement, *National Defense* (1981), was written by former Carter speechwriter James Fallows, a journalist who contributes to *Washington Monthly* and the *Atlantic*. Those two magazines, plus prestige newspapers like the *Wall Street Journal*, *Christian Science Monitor*, *Chicago Tribune*, and *Boston Globe*, have given the reform movement close and sympathetic attention. But the reformers' most effective publicist is Dina Rasor, the young and committed head of the Washington-based Project on Military Procurement. She coordinates a network of mostly anonymous defense consultants, Pentagon systems analysts, and war veterans—her "closet patriots"—who feed her inside tips on defense waste and mismanagement. She in turn relays the information to the press and, when called by congressional committees, testifies on the Hill on subjects ranging from tank designs to featherbedding in the military bureaucracy.

As in Congress, the reform movement attracts support from an unlikely amalgam of political groups, from the left-wing SANE to the right-wing Heritage Foundation, from nonintervention-ists to what Rasor calls "borderline warmongers." Some reformers

*JONATHAN MARSHALL is associate editor of INQUIRY.*





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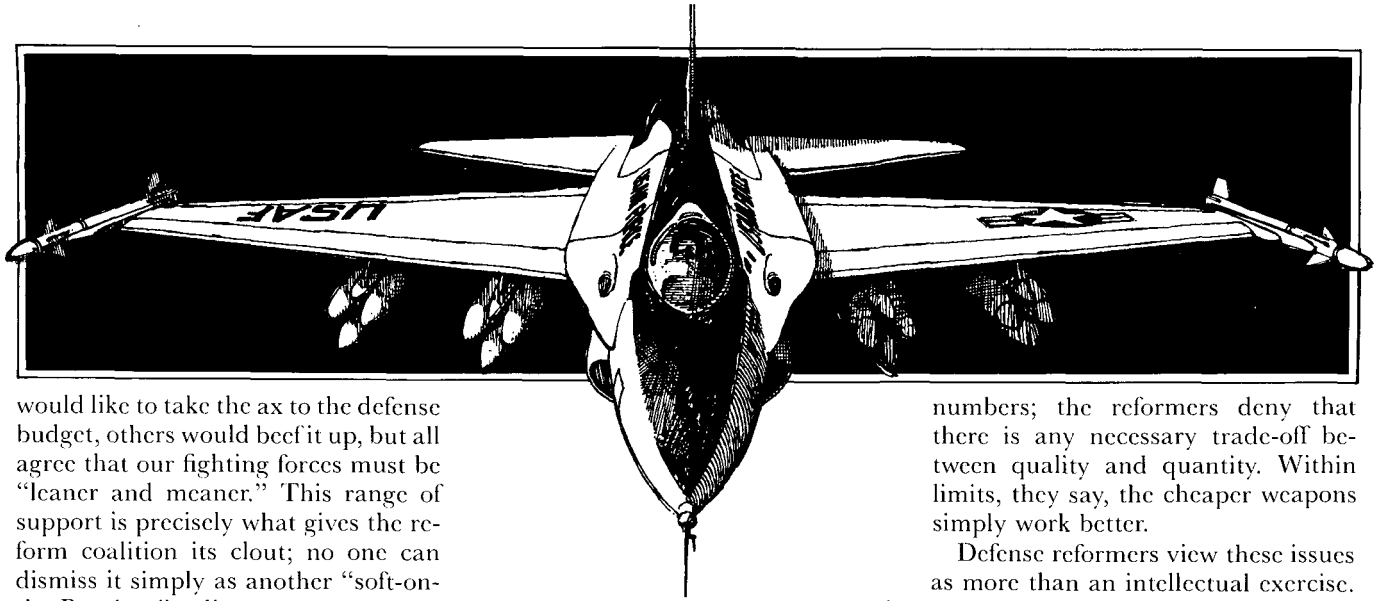


would like to take the ax to the defense budget, others would beef it up, but all agree that our fighting forces must be "leaner and meaner." This range of support is precisely what gives the reform coalition its clout; no one can dismiss it simply as another "soft-on-the-Russians" disarmament movement.

*OPINIONS DIFFER AS TO* just how much clout the reformers have, however. Practically everyone in the military is at least aware of the reformers' critique and goals. One defense consultant active in the reform movement observes that reform principles have won wide favor in the Marines and National Guard, and among lower-ranking officers in the Army. The Navy mostly ignores the reformers, while in recent years the Air Force has been actively hostile. "The reformers have an effective network in Washington," concluded Air Force Lieutenant Colonel Walter Kross in *Air University Review*. "They maintain a strong power base within government. From this vantage point they hold the services at bay, blocking key programs they oppose. . . . Their tactics are well timed, designed to keep the services off balance. Meanwhile, they outmaneuver the services to undermine hard-won programs, usually in a forum where the services have little influence. As a result, a handful of critics is close to precipitating a fundamental change in U.S. military strategy and forces—not because they are necessarily right but because they make their case more persuasively in Congress and in the media than do the military services." Curiously, the reformers themselves minimize their own impact on government policy. "There is no military-reform movement, as such," says one Washington-based defense reporter who sympathizes with reform aims. "There's just about ten guys who keep the issue alive, and a few congressmen who play to the bandstands when they think they can get some press attention." Dina Rasor herself is no less pessimistic. "Every military-reform guy has bitten the dust," she says. "The only thing we've got is the press."

Perhaps the reformers' most valuable asset, however, is their ideas—their analysis of what's wrong and how to change it. The fundamental tenet of the reformers is the good conservative notion that defense problems, like social problems, can't be solved simply by "throwing money" at them. Writes Fallows, "More money for defense, without a change in the underlying patterns of spending, will not make us more secure, and may even leave the United States in a more vulnerable position than before." Or, as Rasor puts it bluntly, "Money is the disease." In their view, the Pentagon has grown into a bloated bureaucracy far more adept at winning each year's battle of the budget than the next war. The system rewards those who play the procurement game, not those who strive for more fighting efficiency. Pentagon procurement has become a nightmare of congressional pork barrel, interservice rivalry, short production lines, constantly changing equipment specifications, sole-source contracting, and protection of large contractors from the consequences of their folly. Worst of all, the "culture of procurement" that reigns at the Pentagon favors every new high-tech weapon dreamed up by industry, at the expense of fighting capability, operating efficiency, and ease of maintenance. As system costs rocket upward, fewer weapons can be purchased and training suffers immensely. The military says it needs sophisticated weapons to offset Soviet numbers; the reformers deny that there is any necessary trade-off between quality and quantity. Within limits, they say, the cheaper weapons simply work better.

Defense reformers view these issues as more than an intellectual exercise. "It is a matter of life and death to the guys in the field," notes Rasor. "The thing that moves me, as in the M-16 story, is that the people who paid their taxes and went to war died because of the bureaucracy." Rasor is referring to the way the Army tenaciously blocked the introduction of the lightweight, reliable, and extremely lethal AR-15 automatic rifle as standard combat issue in Vietnam. When the Army finally caved in—the $75 AR-15 was so highly prized by soldiers that they paid up to $600 for one on the black market—it modified the gun just enough to disrupt its mechanism and make it prone to jamming. So many soldiers wrote home about their buddies dying from the revised gun, the M-16, that Congress finally forced the Army to make some changes. But the Army never did procure the original AR-15, the cheapest and best alternative.

More recently, reformers have taken on the Army's M-1 main battle-tank, officially billed as a brilliant fighting vehicle capable of defeating the Soviets in Central Europe. The radical design includes a gas turbine engine and tough composite armor developed in Britain. With superb suspension and fire-control systems, the M-1 is capable of accurate shooting even when traveling at high speeds. At least, that's the case when it works. Compared to the standard M-60 tank, the M-1 carries fewer rounds, breaks down four times as often, and costs three times as much. It can't readily be repaired on the battlefield. The M-1 gulps down fuel at the rate of 3.8 gallons to the mile. It is too big and heavy to transport easily by plane or train. Its armor is vulnerable to standard-issue Soviet tank rounds, and its hot exhaust



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attracts deadly heat-seeking missiles from the rear. Finally, critics maintain that the tank is a death trap because its hydraulic fluid, which leaks when the tank is damaged, ignites at low temperatures. None of this seems to faze the Army, which wants to buy more than 7000 M-1s at nearly $3 million apiece.

The procurement disease is hardly unique to the Army; if anything, reformers claim, the Air Force is even worse. The Air Force's love affair with technological gimmickry has led, in the words of former Defense Department analyst Pierre Sprey, to "our unwitting progress toward unilateral disarmament at an ever increasing cost." The problem isn't inflation, either. In constant fiscal 1983 dollars, we will be buying fewer than 300 fighters for more than $11 billion in the upcoming budget; in 1951 we bought more than 6000 fighters for only $7 billion. Air Force spokesmen say, of course, that today's fighters are vastly more capable than their counterparts of thirty years ago. And so they are—but much less so than you might think. The $30 million F-15, a two-engined advanced fighter plane designed for "air supremacy," loses consistently in dogfights against the F-16, a stripped-down fighter costing half as much. It wins by only a small margin against the cheap F-5, produced by Northrop for export to the Third World countries too poor to afford fancier gear. The F-15 costs so much because it carries the world's most advanced avionics—radar and associated electronics—most of which do the pilot little good in an actual battle and which may actually do harm by giving away the plane's position. Enemy pilots can easily spot the F-15 in the sky because of its large size and smoke trail, and once spotted, the F-15 pilot loses his all-important advantage of surprise. Problems with equipment malfunction on the F-15 mean that only 60 percent of our force in West Germany was "fully mission capable" in 1981. In wartime many more planes would be grounded as scarce spare parts were quickly used up. Because of the cost of the plane and the shortage of spares, the average pilot gets only half the training flights considered necessary and much less opportunity to actually test-fire weapons. Air Force spokesmen acknowledge these problems but insist that—thanks to prodding from the reformers—the spare-parts problem is on its way to being licked. That hasn't stopped the service from pursuing a gaggle of new systems—with names like WAAM, HARM, AMRAAM, GBU-15, and LANTIRN—that the Pentagon has officially admitted have "experienced development problems, delays, rising costs, and lower-than-expected capabilities" even as their complexity "adds to our already considerable support burden."

**If we beef up our military only to intervene more recklessly, far more lives and dollars may be lost than the defense reformers can hope to save.**

And so the list goes on. Critics have lambasted the Army's new infantry fighting vehicle, bulldozer, and attack helicopter; the Navy's large nuclear aircraft-carriers and its disastrous F/A18 fighter program; the AWACS radar plane and the notorious C-5 cargo plane; and many of the proposed additions to our strategic forces, including the MX and cruise missiles, the B-1 bomber, and the Trident submarine. It is, of course, impossible for the nonspecialist to evaluate with full confidence the merits of the reformers' case against each of these systems. Yet if the reformers expose even a few of the worst lemons, if they make the military think twice about their choice of weapons, tactics, and doctrine, if they make Congress question the budget more closely, they will have done us all a service.

*AT THE SAME TIME, THE* reform movement must be treated skeptically, less for what it is than for what it is not. For, at bottom, the movement is treating only the symptoms, not the causes, of our current defense predicament. It is all very well to rail against bureaucracy and waste, but the Pentagon—which already has some 18,000 inspectors and auditors scrutinizing the budget and procurement practices—is unlikely to change its ways as long as it is so gargantuan. And it is unlikely to stop growing until we as a nation stop asking it to take on ever more missions. The reformers look diligently for unneeded weapons systems, but never for unneeded missions. Yet the purchase of "lean and mean" fighting forces against nonexistent threats is just as much a waste as the purchase of less effective forces against real threats. Indeed, if we beef up our military only to intervene more recklessly, if we let the hawks win by default because we examine only the technical issues of defense, then we may lose far more in lives and money than defense reform can ever hope to save.

The reformers are uncomfortable with this way of thinking about defense. They prefer to make their case in a foreign-policy vacuum. James Fallows writes of his "strong feeling that foreign-policy discussions usually aggravate the worst tendencies in thinking about defense. Foreign policy, by its nature, tends to drift up into the thin air of abstraction; as it rises, it draws discussion of defense up with it." Dina Rasor agrees. "If I sat down and talked foreign policy, I'd lose half my closet patriots," she says. ". . . It has nothing to do with military reform. Someday you may go to war. If you do fight, you should do it right, whether it's to protect us at the Mexican border or in Asia. . . . When it comes to the decision of whether to go to war, I stay out of that."

But the defense reformers shouldn't have to be reminded of Clausewitz's dictum that war is the continuation of politics by other means. Foreign policy cannot be dismissed as an airy abstraction when it is, in fact, the guiding force behind our military commitments. Foreign policies are what create or eliminate potential military threats; Britain's defense needs, for example, will be radically shaped by its political decisions over the Falkland Islands. As former Pentagon analyst Earl Ravenal has observed, "The argument is simple: The defense budget is the price of foreign policy, and we can't afford our foreign policy."

The fact is that, even granting all the wishes of the reformers, the United States still couldn't afford to meet the military goals set for it by the Rea-



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gan administration. "Our long-term goal," says Caspar Weinberger, "is to be able to meet the demands of a worldwide war, including concurrent reinforcement of Europe, deployment to Southwest Asia [the Persian Gulf], and support in other areas of conflict," which, according to the Pentagon, include our "Pacific allies and the [lines of communication] for the Indian and Pacific oceans and the defense of other friendly nations in Latin America and Africa." So ambitious is this blueprint for world power that the Joint Chiefs estimate, in their classified "defense guidance" statement for 1984–88, that to achieve these aims would require 50 percent more troops, fighter planes, and aircraft carriers than are now deployed, along with another Marine amphibious division. Defense planners estimate that all this could add $750 billion to a five-year military budget now totaling $1.6 trillion. There is simply no way to be a "cheap hawk" and still accept the fundamental strategic goals espoused by successive administrations since the Cold War began.

Again, only one way exists to really cut the budget, and that is to cut missions. Do the American people really want to "defend" the entire noncommunist world? Or do they want to defend the United States first and foremost? The gap between the two is enormous. Consider the costs of global defense: $130 billion is budgeted next year for the defense of Europe; $40 billion for Asia; more than $7 billion for the Persian Gulf; and $54 billion for mostly unneeded strategic systems like the MX missile and the B-1 bomber (including their overhead costs). That's roughly twice the projected budget deficit right there.

Should the United States simply pull back to its borders and buy a military capability adequate for our own and not the world's defense? The idea has occurred to more than a few legislators and foreign-policy analysts in recent years, as the disparity has grown between our allies' resources and their willingness to foot the bill for their own defense. Representative Ron Paul (R-Texas), an outspoken noninterventionist, has introduced a bill to withdraw American troops from NATO. From within the mainstream of the Republican Party, Representative John Rhodes of Arizona, a former House minority leader, has called for a fundamental reassessment of postwar U.S. military planning, in order to base it less on the "needs and wants of Western Europe" than our own national interest.

In this short space, the argument for a pullback of American military resources from the rest of the world cannot be made adequately.* But if the goal is to prevent the needless loss of American lives and the continuing hemorrhage of taxpayer dollars, then we need not merely defense reform but a fundamental rethinking of America's role in the world. In short, we need most urgently to address foreign policy, and in particular the noninterventionist alternative to our overextended policy of globalism. These issues are not abstractions or simply the playthings of ideology. They address the root causes of our national crisis, and they will demand answers if our nation is to find itself secure in the decades to come. ■

*For a fuller discussion of these issues, see Jonathan Marshall, "Pull the Military Inside Our Borders," *INQUIRY*, January 12 & 26, 1981, and Earl C. Ravenal, "How to Cut the Defense Budget," *INQUIRY*, May 1, 1978.


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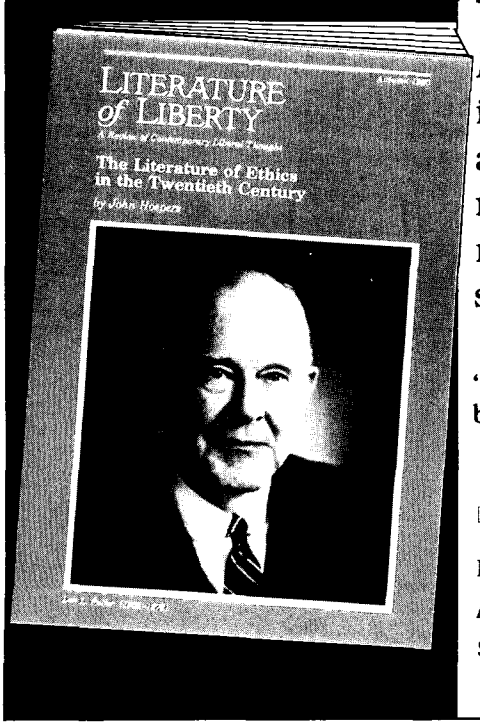


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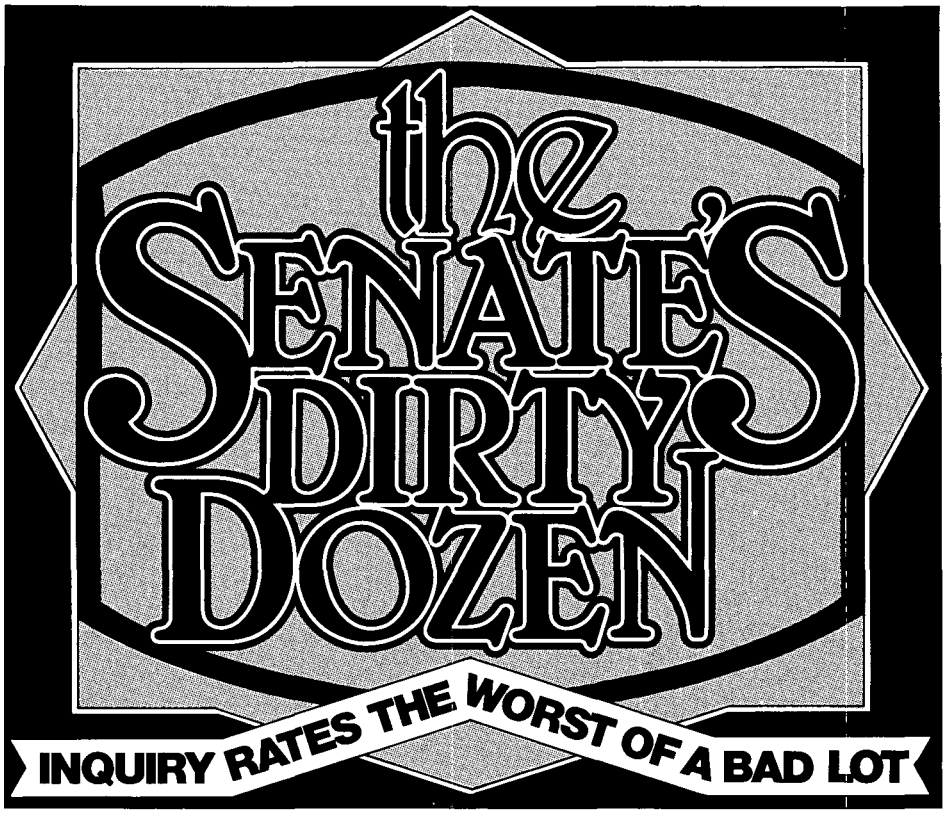


**The U.S. Senate is in the business of spending our money and running our lives—but some senators are more thorough than others. *INQUIRY*'s special survey names those names.**

## by Chris Hocker

THE RATINGS GAME—EVERYONE IN WASHington plays it. Voting records of U.S. congressmen are compiled, scrutinized, analyzed, and rated by a wide variety of special interests, ideological groups, and publications. If you want to know how liberal a congressman is, for example, you check his ADA (Americans for Democratic Action) rating. If you want to know how strongly he supports organized labor, you look at his COPE (Committee on Political Education of the AFL-CIO) score. And if you want to find out how much he likes to spend your money, you review his NTU (the National Taxpayers Union) numbers.

In fact, there seem to be almost as many rating studies as there are members of Congress. Unfortunately, most of them suffer from the inherent limitation of being skewed to reflect the primary interest of the group doing the rating. Thus they exclude votes or factors that do not directly affect the group in question. For example, the Chamber of Commerce and COPE ratings tell us whether or not a congressman votes in accord with these established bastions of business and labor on their narrowly focused issues—apparently he could vote for legalizing murder or declaring war on Mexico, for all they care. The recent *Washington Monthly* survey, which eschewed traditional statistical analysis and relied instead on such criteria as effectiveness, thoughtfulness, ability to "get along," and capacity for hard work, has this problem as well; a senator might be "effective," "thoughtful," and "hardworking," but to what end?

Another problem permeates most of these ratings, one that is not inherent but is nonetheless almost universal. Virtually all accept the traditional political labels of "liberal," "conservative," and "moderate." And if a member of Congress refuses to fit neatly into the spectrum, voting, say, to reduce social spending and defense spending, then he is tagged as a "maverick," an "oddball," or a "square peg," and forgotten by the rating systems.

But a few people in the last year have come along to challenge the traditional liberal-conservative political spectrum. Perhaps the first came from the research team of Stuart Lilie and William Maddox, working at the University of Central Florida in 1979. According to Lilie and Maddox, the traditional left-right, liberal-conservative political spectrum, if it ever was valid, is no longer so. Instead, they added to the traditional categories of liberals and conservatives the categories of populists (liberal on economics, conservative on social issues), and libertarians (conservative on economics, liberal on social issues) to better reflect the American electorate. Their study estimated that 16 percent of the voting population were liberals, 18 percent were conservatives, 24 percent were populists, and 13 percent were libertarians. (The remaining 18 percent were "divided.")

Political analyst Alan Baron, editor of the influential Washington newsletter *Baron Report*, took this new spectrum one step further by applying it to members of Congress, showing the extent to which members of Congress were more liberal or conservative than average in the areas of foreign affairs, social issues, and economic policy. If a congressman showed a high conservative score on economic issues and a high liberal score on social issues, he was designated a "libertarian." If the scores were reversed, the congressman was termed a "populist." (Baron apparently did not use the foreign-affairs score in his new designations.) In May the *National Journal* endorsed Baron's methodology without adopting his labels, and also rated all members of Congress in each of the three categories.

To those, like *INQUIRY*, who have long lamented the inaccuracies of the left-right, liberal-conservative spectrum, this increasing recognition that the standard ideological measurements are no longer good enough is more than

*CHRIS HOCKER is the publisher of INQUIRY.*

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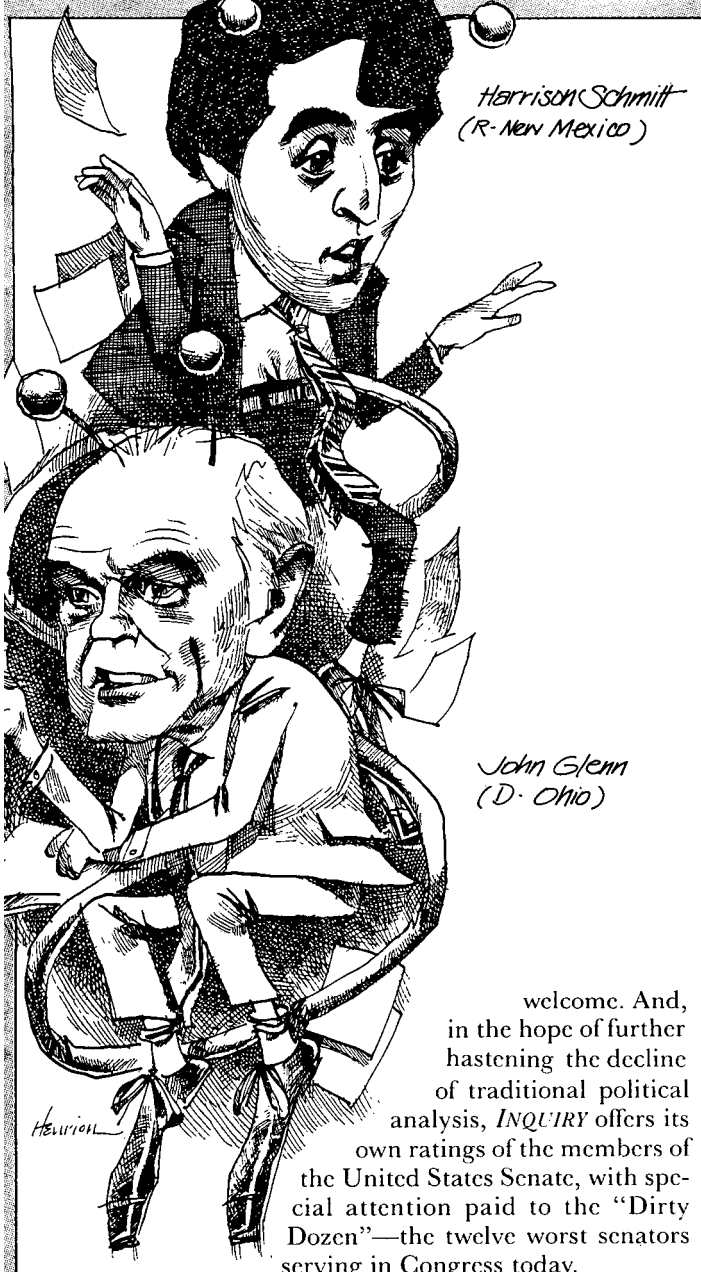



welcome. And, in the hope of further hastening the decline of traditional political analysis, *INQUIRY* offers its own ratings of the members of the United States Senate, with special attention paid to the "Dirty Dozen"—the twelve worst senators serving in Congress today.

## Assumptions and Methodology

We earlier complained that most congressional ratings suffer from the preconceptions and assumptions of those compiling the ratings, since any limited list of "key" votes means ignoring other votes that may have great significance under a different set of assumptions. The *INQUIRY* survey does not escape this problem.

Our assumptions going into the survey were consonant with our editorial position of favoring maximum individual freedom and choice in human affairs, and opposing government restrictions on them. More specifically, we believe that a free-market economy, a noninterventionist foreign policy, and full respect for civil liberties tend to maximize individual freedom, while government taxation, regulation, prohibition of voluntary private behavior, and continued buildup of the military tend to restrict individual freedom. Therefore, in rating senators we looked for votes that, we thought, reflected each senator's attitude toward issues of individual freedom. Put another way, our operative question was: "Given relative freedom from party pressure, will this senator vote in favor of government control or against it?"

The qualifier "relative freedom from party pressure" is an important feature of the *INQUIRY* rating system. We examined well over a thousand roll-call votes, and found that the vast majority were decided virtually unanimously, or according to clear-cut "party line" considerations. We assumed that a vote that showed Democrats voting, say, 38–6 in favor and Republicans voting 3–39 against must have involved significant questions of party loyalty or consideration of the wishes of the president. The clearest examples of such votes appeared on budget questions. If a Democrat, for instance, offered a tax-cutting amendment to the 1981 Reagan budget, virtually all Republicans were likely to vote against it, not because they necessarily opposed it, but because party and presidential pressure required them not to stray from Reagan's budget plan.

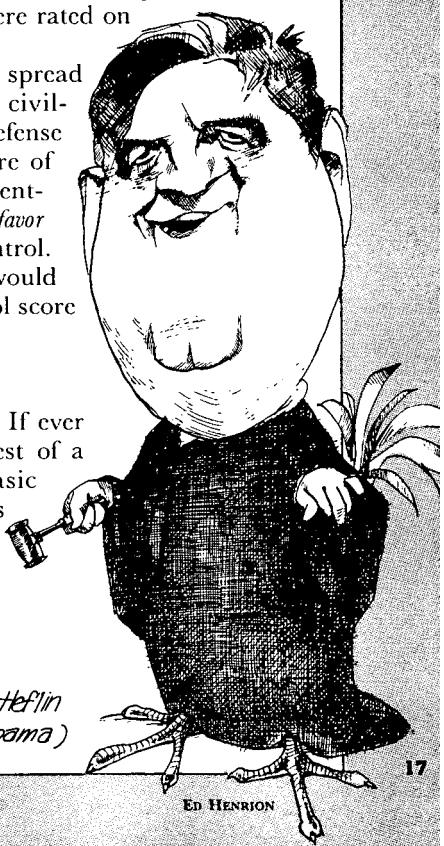
On the other hand, we felt that votes on which there were significant numbers of senators from *both* parties defecting from the majority position of each party were much more significant reflections of real attitudes toward government control. These votes—on which it was not immediately clear what the "party line" position was—were assumed to be relatively free of party pressure. They include instances of bipartisan majorities as well as cases in which the majorities of both parties were opposite, but by unusually small margins.

The twelve votes we selected were taken from 1980, 1981, and 1982 and are evenly divided between the Carter and Reagan administrations. We rated only those senators who sat during all three years, thus excluding the current crop of freshmen. Using the *Congressional Quarterly*'s record of roll-call votes, we counted not only actual votes but also announced positions in cases where senators did not vote. In cases where a senator was not present and did not make his position known, we counted half a vote in the score. We rated Maine's Senator George Mitchell on the eight votes for which he was able to vote after he replaced Edmund Muskie; all other senators were rated on the full twelve.

We attempted to achieve a spread among domestic economic, civil-liberties, and foreign and defense policy issues. The final score of each senator reflects the percentage of times he or she voted *in favor* of extending government control. A "perfect" procontrol score would be 100; a "perfect" anticontrol score would be 0.

## Key Votes

*1. Draft Registration* (1980). If ever there were a crystal-clear test of a senator's attitude toward basic personal liberty, this vote was it. Registration passed by a bipartisan margin of 58 to 34, but with significant dissent in both parties

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Henry Jackson
(D-Washington)

(R 25-16; D 33-18). It was a relatively easy procontrol measure to vote for, in that it instituted only registration, not the draft itself; thus a senator could presumably rationalize a "Yes" vote by thinking, "What the hell, it's only registration and not the real thing." Indeed, since registration has no practical military value, a "Yes" vote implies a total lack of concern over the grave threat to personal liberty posed by the draft and draft registration. We considered this more of a civil-liberties issue than a foreign-policy issue.

*2. Immigration* (1980). Another civil-liberties issue, this vote occurred on an amendment to further restrict an already restrictive immigration bill. The amendment reduced from 650,000 to 100,000 the number of people allowed to immigrate through the end of the 1980 fiscal year. Twenty-six Republican and 25 Democratic senators, acting either out of fear of the Yellow Peril or from a warped sense of what causes unemployment, voted for the restriction. Forty-three did not, including 14 Republicans and 29 Democrats. Since the original bill was exceedingly restrictive as it was, and the freedom to immigrate should be universal, we consider a "Yes" vote on this amendment to be evidence of hard-core sympathy for government control.

*3. Food Stamp Cuts* (1980). This modest amendment attempted to cut $200 million from food-stamp spending, a teeny, tiny fraction of this program's budget. Moreover, the cuts were restricted to the elimination of "waste and fraud"; they could hardly be described as an all-out attack on poor people. Even so, the amendment lost 35–52, with a significant number of Republicans (15) voting against, and a fair number of Democrats (13) voting for. A "No" vote apparently means either there's no waste or fraud in the food-stamp program, or, if there is, that we shouldn't worry about it. After all, it's only the taxpayers' money.

*4. Trucking Deregulation* (1980). This was an issue whose time was long overdue, and it finally came after everyone from conservative Republicans to liberal Democrats passed it, 70–20. Almost everyone, that is. Two Republicans and 18 Democrats decided that easing entry restrictions, increasing competition, improving service, and lowering prices were too much for trucking consumers to bear. This bill was not even complete deregulation—a "No" vote here is as good an indicator of a pro-government-control attitude on economic matters as you're likely to find.

*5. Windfall Profits/Synthetic Fuels* (1980). Departing from our standard methodology on this economic issue, we combined the results of two Senate votes, one to foist the so-called windfall-profits tax on domestic oil companies, and the other to grant $20 billion in subsidies to some of the same oil companies for research and development of synthetic fuels. The two are counted together because they're two sides of the same hoax. The "windfall profits" tax was nothing more than an excise tax on oil, a shameless way to funnel extra revenue into the treasury at consumers' expense. Synfuels was equally shameless, being a subsidy for big oil, apparently as a reward for putting up with all the ridiculous demagoguery over "windfall profits." Both bills passed by huge margins, and most senators voted procontrol ("Yes") on both, although a handful split their votes and ten senators voted against both. A vote for either measure counts for half on this question.

*6. Foreign Affairs Cut* (1980). This quiet little attempt to cut a piddling $200 million out of the budget for foreign-affairs programs failed on a tie vote, 48–48, with Republicans voting 22–18 in favor, and Democrats voting 26–30 against. Considering how much could and should be cut out of the foreign-affairs budget—how much swimming-pool chlorine do our ambassadors really need, anyway?—a vote against this small cut is construed as an affirmation of interventionism.

*7. Nerve Gas* (1981). This was a vote on killing a proposed budget amendment to add $20 million for a nerve-gas factory, and the Senate kept it (if not us) alive by the bare margin of 48–50. Twenty-one Republicans and 27 Democrats voted to eliminate the amendment; 31 Republicans and 19 Democrats voted against. Nerve gas is hardly a defensive weapon, and if it is ever used, it will be in an overseas adventure. A "No" vote supports intervention.

*8. Tobacco Price Supports* (1981). You'd think that, between the rock-ribbed fiscal conservatives and the breast-beating antitobacco liberals, there would have been enough senators to cut tobacco price supports by a mere $79 million. There weren't. Fifty-six (29 R, 27 D) voted to kill an amendment to cut the sup-

James Sasser
(D-Tennessee)

Howard Baker
(R-Tennessee)

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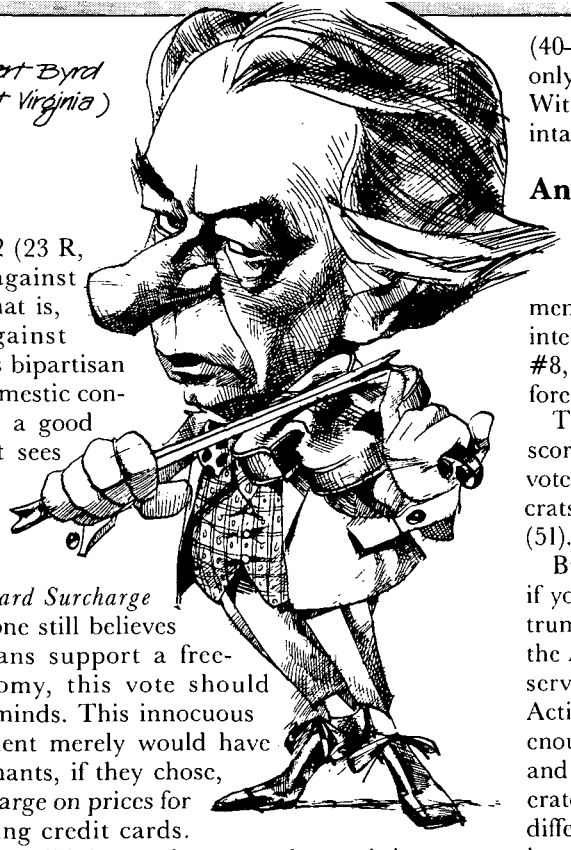



ports, while 42 (23 R, 19 D) voted against the motion, that is, they voted against supports. This bipartisan coalition of domestic controllers knows a good lobby when it sees one. A "Yes" means propping up tobacco prices.

*9. Credit Card Surcharge* (1981). If anyone still believes the Republicans support a free-market economy, this vote should change their minds. This innocuous little amendment merely would have allowed merchants, if they chose, to add a surcharge on prices for customers using credit cards. The amendment didn't mandate a surcharge; it just gave businessmen the option to, in effect, provide a discount for cash-paying customers. Thirty-five Republicans and 24 Democrats agreed with the credit-card companies that this was a terrible idea and voted against the amendment; only 17 Republicans and 24 Democrats thought businessmen and customers should make their own deals, and supported it. A "No" vote supports economic control.

*10. Military Research and Development* (1981). This was an amendment to cut a minuscule 2 percent from military R&D programs. These are the same programs that have brought us dozens of "Golden Fleece" awards for pure waste, and you'd think that in the much vaunted era of budget cutting, the Senate could have found a 2 percent cut worthwhile. It didn't, by a bipartisan vote of 36 to 57, with 21 Republicans and 15 Democrats voting in the minority. A "No" vote is an enthusiastic green light for the military establishment.

*11. Tennessee-Tombigbee Waterway* (1982). Breathes there a senator with sensibilities so dead, intelligence so lacking, or conscience so muddled, who has never said to himself, "Tenn-Tom is an incredible turkey—a boondoggle's boondoggle—and should be killed immediately"? Apparently there are 48 such senators. Despite massive publicity indicating that the Tenn-Tom project is a worse than useless, massively expensive, and environmentally dangerous waste of billions of dollars, 21 Republicans and 27 Democrats voted against an amendment that would have denied funding for Tenn-Tom in 1980. Only 27 Republicans and 19 Democrats voted in favor. A "No" vote means a commitment to waste billions more dollars.

*12. Titan Missile Cut* (1982). This amendment would have cut funding for the Titan II missile—the one that periodically blows up in its silo and poses sufficiently serious questions about its safety and reliability that no less standard a Republican than Robert Dole offered the amendment. But again, a bipartisan majority of the Senate (40–56) decided to grant the Pentagon's endless wish list; only 23 Republicans and 16 Democrats voted with Dole. With a "No" vote, the influence of the Pentagon remained intact.

## Analysis

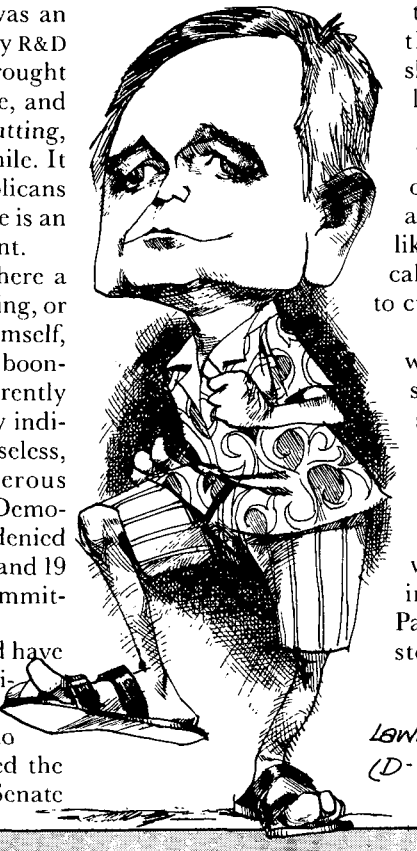
These twelve votes presented twelve clear-cut opportunities, relatively free of party pressure, for senators to vote for or against expanding or continuing government control by regulating personal liberties (#1 and #2), intervening in domestic and economic affairs (#3, #4, #5, #8, #9, and #11), or increasing military spending and foreign activism (#6, #7, #10, and #12).

The eighty-one senators in the survey had an average score of 54—that is, the "average" senator would have voted procontrol slightly more than half the time. Democrats on average scored higher (58) than the Republicans (51).

But party labels aren't everything, of course, particularly if you adhere to the traditional liberal-conservative spectrum. Dividing our eighty-one senators by recent ratings of the Americans for Democratic Action, the American Conservative Union, and the Americans for Constitutional Action (another conservative group) yielded, interestingly enough, twenty-seven liberals, twenty-seven conservatives, and twenty-seven moderates. (Some senators, such as moderate-liberals and liberal-moderates, could have fit into two different categories, but the overall breakdown would still be roughly the same.) Looking at the groupings this way, we found very little difference in scores: Liberals averaged 56, moderates 55, and conservatives 52.

One of the most fascinating parts of the analysis was confirmation of our suspicion that many so-called conservatives, with their "get government off our back" rhetoric, were even more likely than their more liberal colleagues to vote for some boondoggles. By the same token, we found that many liberals, despite their reputation as defense skeptics and guardians of civil liberties, were quite willing to give the Pentagon carte blanche or favor restrictions on personal freedom. Moderates, of course, were no more likely than their more ideologically definable brethren to vote to cut back government control.

There were some extremely wide variations of individual scores within each group, and some of the differences were quite surprising. Jake Garn of Utah and John Tower of Texas, normally thought of as two peas in a right-wing pod, were 34 points apart in our ratings. Massachusetts Senator Paul Tsongas and Alan Cranston of California, considered



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| | 1. Draft registration | 2. Immigration | 3. Food stamps | 4. Trucking deregulation | 5. Windfall/synfuel | 6. Foreign cuts | 7. Nerve gas | 8. Tobacco support | 9. Credit cards | 10. Defense R&D cut | 11. Tenn-Tom cut | 12. Titan II cut | Percentage vote for control |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Sasser (D-Tenn.) (M) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 92 |
| 2. Jackson (D-Wash.) (L) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | 83 |
| (tie) R. Byrd (D-W.Va.) (L) | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | 83 |
| 4. Inouye (D-Hawaii) (L) | ✓ | ✓ | ? | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | 79 |
| (tie) Heflin (D-Ala.) (M) | ✓ | | ✓ | ✓ | ½ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 79 |
| 6. Baker (R-Tenn.) (C) | ✓ | ✓ | | ? | ✓ | ? | | ✓ | ✓ | ✓ | ✓ | ✓ | 75 |
| (tie) Glenn (D-Ohio) (L) | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | 75 |
| Schmitt (R-N.Mex.) (C) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 75 |
| Chiles (D-Fla.) (M) | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | 75 |
| Hayakawa (R-Calif.) (C) | ✓ | ✓ | | | ½ | ✓ | ✓ | ✓ | ✓ | ? | ✓ | ✓ | 75 |
| Huddleston (D-Ky.) (M) | ✓ | | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 75 |
| Ford (D-Ky.) (L) | ✓ | | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 75 |
| 13. Lugar (R-Ind.) (C) | ✓ | ✓ | | | ½ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | 71 |
| (tie) DeConcini (D-Ariz.) (M) | ✓ | ✓ | ✓ | ? | ✓ | | ✓ | ✓ | | ✓ | ✓ | | 71 |
| Cranston (D-Calif.) (L) | | ✓ | ? | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 71 |
| 16. Tower (R-Tex.) (C) | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 67 |
| (tie) Hollings (D-S.C.) (M) | ✓ | | | ✓ | ½ | ✓ | ✓ | ✓ | | ✓ | ✓ | ? | 67 |
| Baucus (D-Mont.) (L) | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | | ✓ | | ✓ | 67 |
| Boren (D-Okla.) (C) | ✓ | | | ✓ | ½ | ✓ | | ✓ | ? | ✓ | ✓ | ✓ | 67 |
| Johnston (D-La.) (M) | ✓ | | | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | 67 |
| Percy (R-Ill.) (M) | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | | | ✓ | 67 |
| Stennis (D-Miss.) (M) | ✓ | | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 67 |
| Matsunaga (D-Hawaii) (L) | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | | 67 |
| Levin (D-Mich.) (L) | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | 67 |
| Melcher (D-Mont.) (L) | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | | 67 |
| 26. Thurmond (R-S.C.) (C) | ✓ | | | | ½ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 63 |
| (tie) Bumpers (D-Ark.) (M) | ✓ | | ✓ | ? | ✓ | ✓ | | | ✓ | ✓ | ✓ | | 63 |
| Biden (D-Del.) (L) | ? | ✓ | ✓ | | ✓ | ✓ | | | ✓ | ✓ | | ✓ | 63 |
| 29. Warner (R-Va.) (C) | ✓ | | | | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | 58 |
| (tie) Exon (D-Neb.) (M) | ✓ | | | | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | 58 |
| Randolph (D-W.Va.) (L) | ✓ | | ✓ | ✓ | ✓ | | | ✓ | ✓ | | ✓ | | 58 |
| Pressler (R-S.Dak.) (C) | ✓ | ✓ | ? | ✓ | ✓ | | | ✓ | ✓ | | | ? | 58 |
| Nunn (D-Ga.) (M) | ✓ | | | | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | 58 |
| Sarbanes (D-Md.) (L) | | | ✓ | | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | 58 |
| Cohen (R-Maine) (M) | | ✓ | | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ✓ | 58 |
| Packwood (R-Ore.) (M) | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | ✓ | ✓ | | 58 |
| 37. Goldwater (R-Ariz.) (C) | ✓ | ? | | | ¼* | | ✓ | ✓ | ✓ | ? | ? | ✓ | 56 |
| 38. Laxalt (R-Nev.) (C) | ✓ | | | | | | ✓ | ✓ | ✓ | ✓ | ? | ✓ | 54 |
| (tie) Cannon (D-Nev.) (M) | ✓ | | ? | | ✓ | | ✓ | ? | ✓ | ✓ | ? | ✓ | 54 |
| Moynihan (D-N.Y.) (L) | ✓ | ? | ✓ | | ✓ | ✓ | ✓ | | | ✓ | | | 54 |
| Domenici (R-N.Mex.) (C) | ✓ | | ✓ | | ½ | ✓ | | ✓ | ✓ | ✓ | | | 54 |
| Zorinsky (D-Neb.) (C) | ✓ | | | | ½ | | ✓ | ✓ | ✓ | ✓ | | ✓ | 54 |
| Jepsen (R-Iowa) (C) | | ✓ | ? | | | | ✓ | ✓ | ✓ | ✓ | | ✓ | 54 |
| 44. Stevens (R-Alaska) (C) | ✓ | ✓ | | | ¼* | | | ✓ | ✓ | ✓ | ✓ | | 52 |

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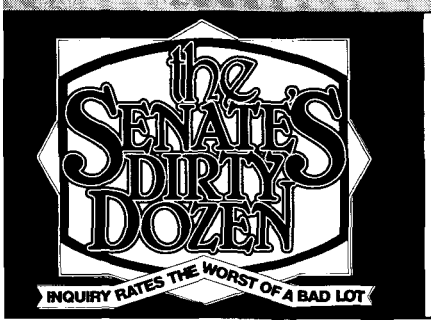


| | | 1. Draft registration | 2. Immigration | 3. Food stamps | 4. Trucking deregulation | 5. Windfall/synfuel | 6. Foreign cuts | 7. Nerve gas | 8. Tobacco support | 9. Credit cards | 10. Defense R&D cut | 11. Tenn-Tom cut | 12. Titan II cut | Percentage vote for control |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45. | Wallop (R-Wyo.) (C) | ✓ | ✓ | | | ½ | | ✓ | ✓ | ✓ | ? | | | 50 |
| (tie) | Boschwitz (R-Minn.) (M) | ✓ | ✓ | | | | ✓ | ✓ | | | ✓ | | ✓ | 50 |
| | Burdick (D-N.Dak.) (L) | ✓ | | ✓ | ✓ | ✓ | | | ✓ | | | ✓ | | 50 |
| | Danforth (R-Mo.) (M) | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | | ✓ | 50 |
| | Chafee (R-R.I.) (L) | ✓ | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | | | 50 |
| | Bradley (D-N.J.) (L) | | ✓ | ? | ? | ✓ | ✓ | | | | ✓ | | ✓ | 50 |
| | Leahy (D-Vt.) (L) | | ✓ | ✓ | | ✓ | ✓ | | | | ✓ | | ✓ | 50 |
| 52. | Cochran (R-Miss.) (C) | ✓ | ✓ | | | | | | ✓ | ✓ | ? | ✓ | | 46 |
| (tie) | Bentsen (D-Tex.) (M) | ✓ | | | | ½ | | ✓ | | | ✓ | ✓ | ✓ | 46 |
| | Long (D-La.) (M) | ? | | | | ✓ | | ? | ✓ | ? | ✓ | ✓ | | 46 |
| | Mathias (R-Md.) (L) | | ✓ | ✓ | | ✓ | ✓ | ? | ? | | | | ? | 46 |
| | Hatch (R-Utah) (C) | | ✓ | | | | | ✓ | | ✓ | ✓ | ✓ | ? | 46 |
| | McClure (R-Idaho) (C) | | | | | ½ | | | ✓ | ✓ | ✓ | ✓ | ✓ | 46 |
| 58. | Pell (D-R.I.) (L) | ✓ | ✓ | ✓ | | ✓ | ✓ | | | | | | | 42 |
| (tie) | Stafford (R-Vt.) (M) | ✓ | | ✓ | | ✓ | ✓ | | | | | | ✓ | 42 |
| | Helms (R-N.C.) (C) | ✓ | | | | | | ✓ | ✓ | | ✓ | | ✓ | 42 |
| | Durenberger (R-Minn.) (M) | ✓ | ✓ | ✓ | | ✓ | ✓ | | | | | | | 42 |
| | Armstrong (R-Colo.) (C) | | ✓ | | | | | ✓ | | | ✓ | ✓ | ✓ | 42 |
| | Hatfield (R-Ore.) (M) | | ✓ | ✓ | | ✓ | | | | ✓ | | ✓ | | 42 |
| | Eagleton (D-Mo.) (L) | | | ✓ | ✓ | ✓ | | | | ✓ | | | ✓ | 42 |
| | Dole (R-Kans.) (C) | | | ✓ | | ½ | | ✓ | ✓ | ? | | ✓ | | 42 |
| 66. | Mitchell (D-Maine) (L)† | | | — | — | ½ | — | | | ✓ | | ✓ | ✓ | 41 |
| 67. | Simpson (R-Wyo.) (C) | ✓ | ✓ | | | ½ | | ✓ | ✓ | | | | | 38 |
| (tie) | Pryor (D-Ark.) (M) | ✓ | | | | ½ | | | ✓ | ✓ | | ✓ | | 38 |
| | Weicker (R-Conn.) (L) | ✓ | ✓ | ? | | ½ | ✓ | | | | | ? | | 38 |
| | Humphrey (R-N.H.) (C) | ✓ | | ? | | | | ✓ | | | ✓ | | ✓ | 38 |
| | H. Byrd (I-Va.) (C) | ✓ | | | | ½ | | ✓ | ✓ | | | | ✓ | 38 |
| | Heinz (R-Pa.) (M) | | ✓ | ✓ | | ✓ | | | | ✓ | ? | | | 38 |
| | Metzenbaum (D-Ohio) (L) | | ✓ | ✓ | | ✓ | ✓ | | | | | | ? | 38 |
| | Kassebaum (R-Kans.) (M) | | ✓ | ✓ | | ½ | ✓ | | | ✓ | | | | 38 |
| | Riegle (D-Mich.) (L) | | | ✓ | | ✓ | ✓ | | | ✓ | | ? | | 38 |
| 76. | Garn (R-Utah) (C) | | | | | | | ✓ | | ✓ | ✓ | | ✓ | 33 |
| (tie) | Tsongas (D-Mass.) (L) | | ✓ | ✓ | | ✓ | ✓ | | | | | | | 33 |
| 78. | Hart (D-Colo.) (M) | | ✓ | ✓ | | ½ | | | | | ✓ | | | 29 |
| 79. | Kennedy (D-Mass.) (L)‡ | | ? | ? | ? | ? | ? | | | | | | | 21 |
| 80. | Roth (R-Del.) (C) | | | | | ✓ | | | | ✓ | | | | 17 |
| 81. | Proxmire (D-Wis.) (M) | | ✓ | | | ½ | | | | | | | | 13 |

"✓" indicates a vote (or announced position) favoring maintenance or expansion of government control.
"?" indicates member was absent and did not announce a position; all absences are counted as a one-half score.
*Vote #5 is a combination of two votes. Senators Goldwater and Stevens each took anticontrol positions on one vote and were absent for the other, thus earning one-quarter score.
†Senator Mitchell was not a member of the Senate for votes #3, #4, #6, and half of #5. His score is calculated on the basis of 8 ½ votes cast.
‡Senator Kennedy was absent for five of the twelve votes counted in the ratings.

C—conservative L—liberal M—moderate

Senate average: 54
Moderate average: 55
Liberal average: 55
Conservative average: 52
Republican average: 51
Democrat average: 58
Prodraft average: 60
Antidraft average: 46





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liberal twins, were over 40 points apart.

There was one other enlightening statistic. As stated earlier, we considered the vote on draft registration to be a key test of each senator's basic attitude toward personal freedom, and we even went so far as to assume going into the survey that *no* senator who voted against draft registration would make our "Dirty Dozen" list, or even come close.

And we were almost right. There were only four antidraft senators among the worst-scoring 25. On average, antidraft senators scored a 46, while prodraft senators scored an average of 60—the widest group discrepancy we found in the survey. The only surprise was Cranston of California, who tied for 13th worst.

## *INQUIRY*'s "Dirty Dozen"

And now, to the United States senators who most consistently vote in favor of government control, *INQUIRY* bestows its First Annual "Benito" Awards—statuettes depicting a land-based missile arising from a pile of chains, dollar bills, and last week's copies of the *Federal Register*.

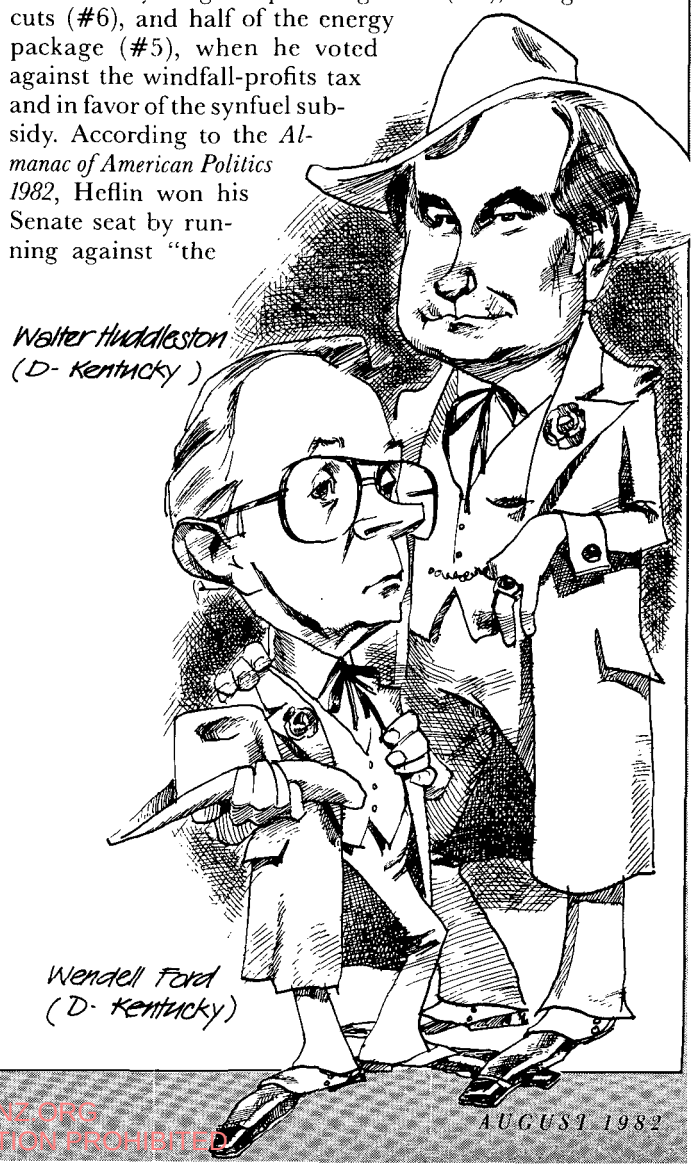
FIRST PLACE: *James Sasser (D-Tenn.)*. A "moderate," Sasser managed to vote on the procontrol side on 11 of the 12 votes, for a whopping score of 92. His only deviation came on the nerve-gas vote (#7); he must have had a bad day. Fortunately, Sasser is not considered a particularly influential senator, and he has been overshadowed by his senior colleague, Howard Baker. According to the *Almanac of American Politics 1982*, the forty-six-year-old Sasser, an attorney and former state party chairman, is among a group of legislators for whom "government is more likely to seem a friend than an enemy." No kidding.

SECOND PLACE: *Henry Jackson (D-Wash.)*. Somehow, we already knew that Jackson, a "liberal," would finish near the top. After five terms as "the senator from Boeing," Jackson has a richly deserved reputation as a zealous energy regulator and an adoring friend of the Pentagon, without any hint of fiscal conservatism. Somewhat surprisingly, his score of 83 (10 procontrol votes out of 12) included two votes *against* the Pentagon—on the R&D cut (#10) and the Titan II cut (#12). On economic issues, he's a knee-jerk procontroller.

THIRD PLACE: *Robert Byrd (D-W.Va.)*. According to the conventional group ratings, Byrd is a liberal with moderate leanings; according to the *INQUIRY* survey, his score of 83 puts the minority leader squarely in the procontrol camp. His deviations came on immigration (#2) and credit-card controls (#9), but his loyalty to the Pentagon is as pure as the driven snow. It's noteworthy that of the four party leaders in the Senate, Byrd (minority leader) and Baker (majority leader) make the Top Twelve. The minority whip, Alan Cranston (D-Calif.), is right behind with a score of 71, while the majority whip, Ted Stevens (R-Alaska), sports a so-so 52. The average leadership score is a whopping 73.

FOURTH PLACE: *Daniel K. Inouye (D-Hawaii)*. Hawaii is the only state in the union that used to be a monarchy, and this fact may explain the high score, 79, of its senior senator. Nationally known for his participation in the Watergate hearings in 1972, and less well known for having the poorest National Taxpayers Union rating in the Senate nearly every year, Inouye voted the right way on nerve gas (#7) and the defense R&D cut (#10), and didn't vote on the food-stamp cut (#3), but he was otherwise generous to just about everyone who wanted more money or power.

FIFTH PLACE: *Howell Heflin (D-Ala.)*. A southern "moderate" like Sasser, Heflin could win the Foghorn Leghorn Lookalike Contest, but he also managed to win his 1978 general-election campaign with 94 percent of the vote. In our ratings, he tied Inouye with a 79, taking the procontrol side on everything except immigration (#2), foreign-affairs cuts (#6), and half of the energy package (#5), when he voted against the windfall-profits tax and in favor of the synfuel subsidy. According to the *Almanac of American Politics 1982*, Heflin won his Senate seat by running against "the





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Washington crowd"; he's obviously very much a part of that crowd now.

SIXTH PLACE: *Howard Baker (R-Tenn.)*. Baker joins his Tennessee colleague Sasser on the "Dirty Dozen" list, thus earning that state the undisputed honor of having the worst delegation. His score of 75 ties him with six others. Baker has been widely touted as one of the "best" senators on the basis of his prowess as majority leader (for another view, see *INQUIRY*, July 1982). He's effective, hardworking, well-respected—and wrong on just about everything. He was absent for trucking deregulation (#4) and foreign-affairs-cut (#6) votes, he voted for the food-stamp cut (#3), and he voted with Sasser against nerve gas (#7). But otherwise he's procontrol right down the line.

SEVENTH PLACE: *John Glenn (D-Ohio)*. The challenger for the presidency whose face has appeared on magazine covers all across America, former astronaut Glenn may have "the right stuff" for higher office but not for loosening government control. His 75 score reflects a 100 percent pro-Pentagon record, with his only anticontrol votes coming on trucking deregulation (#4), tobacco price supports (#8), and credit-card controls (#9). According to the group ratings, Glenn is a liberal, and it's interesting to contrast his record with that of fellow liberal and Ohioan Howard Metzenbaum (see chart).

EIGHTH PLACE: *Harrison Schmitt (R-N.Mex.)*. A former astronaut, like Glenn, and unlike Glenn a conservative Republican, Schmitt rocketed into the Dirty Dozen with a 75, voting against controls only on trucking deregulation (#4), both ends of the energy package (#5), and the Titan missile cut (#12). Schmitt is a geologist by training who faces a tough reelection battle this year; perhaps his rock-ribbed procontrol attitudes will be gone from the Senate by this time next year.

NINTH PLACE: *Lawton Chiles (D-Fla.)*. Still another southern "moderate," and another 75 scorer, Chiles is probably best known for having walked across the state of Florida during his first Senate campaign of 1970. He should have kept walking. Chiles supports the Pentagon with unbroken consistency, and veered off from his procontrol posture only on immigration (#2), trucking deregulation (#4), and the Tennessee-Tombigbee waterway (#11).

TENTH PLACE: *S. I. Hayakawa (R-California)*. Sam, a conservative, makes everyone's "worst" list, usually for sleeping through sessions and saying dumb things. He gets our award, also with a score of 75, strictly for his voting record. He voted against the windfall-profits tax but for synfuels (#5), was for trucking deregulation (#4) and food-stamp cuts (#3), and was absent for the vote to cut R&D expenditures (#10). Other than that, he is one of the most consistently procontrol Republicans in the Senate. Sam is retiring from the Senate this year, and random probability alone suggests that his replacement could only be an improvement.

ELEVENTH PLACE: *Walter Huddleston (D-Ky.)*. *INQUIRY* rounds out its "Dirty Dozen" with a pair of Kentucky Democrats, both moderate liberals or liberal moderates, depending on which rating service you subscribe to. The senior of the two, Walter Huddleston, scored a 75 by voting procontrol on everything except immigration (#2), trucking deregulation (#4), and nerve gas (#7).

TWELFTH PLACE: *Wendell Ford (D-Ky.)*. Outside of Kentucky, no one knows much about either Huddleston or Ford, and for these small blessings let us be thankful. Ford finished in a dead heat with Huddleston in the procontrol derby, joining him in his immigration (#2) and trucking deregulation (#4) votes, and breaking with Huddleston and his procontrol record on only one other vote, foreign-affairs cuts (#6).

DISHONORABLE MENTION: Three more senators, with scores of 71, nearly turned the "Dirty Dozen" into the "Dirty Fifteen," and represent an interesting mix. Alan Cranston, a liberal and the highest-scoring antidraft senator, was surprisingly pro-Pentagon. Dennis DeConcini (D-Ariz.), a moderate, and Richard Lugar (R-Ind.), a conservative, matched Cranston's enthusiasm for control.

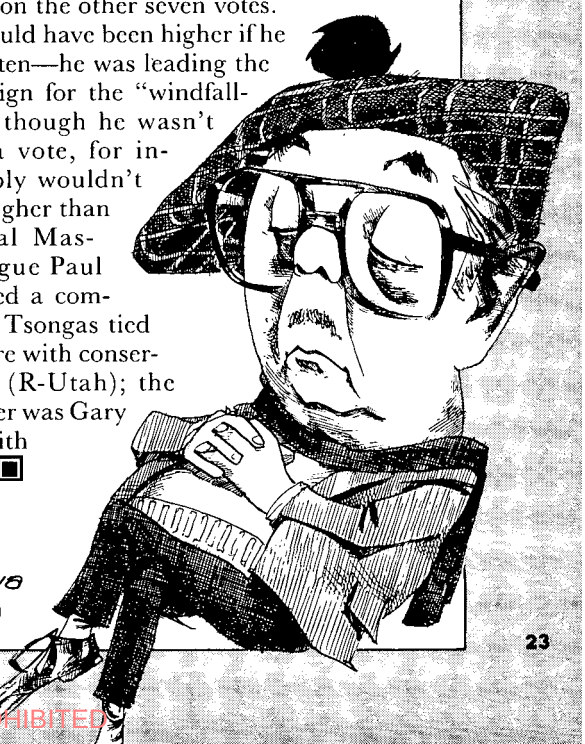
THE FRESHMAN CLASS: As noted earlier, we left out the nineteen senators who have taken seats since the 1980 session—after all, they deserve a chance to prove themselves—but we did take a look at their key votes during the 1981 and 1982 sessions. Of the nineteen, two show real promise of making their way onto future "Dirty Dozen" lists: John East of North Carolina and Alfonse D'Amato of New York, both conservative Republicans who voted on the procontrol side five out of six times. Come on, guys, we're rootin' for ya.

LOW SCORERS: We didn't expect any member of the nation's most distinguished governing body to boast a perfect anticontrol score, and we weren't disappointed. There were, however, a handful of encouragingly low scores which should be recognized.

The overall lowest score was 13 by William Proxmire, a "moderate" Wisconsin Democrat who has an apparently justified reputation as a tightwad, as well as a probably undeserved name as a "maverick" and "oddball." Proxmire voted consistently anti-Pentagon and strayed only on immigration restrictions (#2) and half of the energy package (#5) when he voted for the windfall-profits tax.

The second lowest scorer was conservative Republican William Roth of Delaware, with a 17. Roth also was consistently for Pentagon restraint, and his only marks on the procontrol side came on the energy package (#5) and credit-card controls (#9).

The third lowest scorer was a real surprise: Edward Kennedy (D-Mass.) had a 21 by virtue of missing five of the twelve key votes, earning a half score for each absence, and voting anticontrol on the other seven votes. While his score would have been higher if he had voted more often—he was leading the demagogic campaign for the "windfall-profits tax," even though he wasn't present to cast a vote, for instance—it probably wouldn't have been much higher than that of his liberal Massachusetts colleague Paul Tsongas, who rated a comparatively low 33. Tsongas tied for fifth-lowest score with conservative Jake Garn (R-Utah); the fourth-place finisher was Gary Hart (D-Colo.), with a 29. ▣



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# DOES POLAND MATTER?

**SHOULD AMERICANS CARE ABOUT POLAND? OF COURSE THEY SHOULD. BUT CARING ABOUT POLAND DOESN'T MEAN OUR GOVERNMENT SHOULD IMPOSE MORE SANCTIONS ON THE POLISH REGIME OR BAIL IT OUT. THAT KIND OF ECONOMIC MEDDLING HURTS US ALL.**

BY **EARL C. RAVENAL**

AS DEMONSTRATIONS and arrests in Poland increase, the Polish crisis may yet boil over. But, as Zbigniew Brzezinski and others have remarked, the tragedy in Poland must be set in a larger framework to have any meaning for American foreign policy. In a speech to the Council on Foreign Relations, Brzezinski saw the events in Poland as posing two fateful questions: "First, is peaceful change in communist systems possible?" And "secondly, by extension, is peaceful East-West accommodation possible?"

This is an intelligent and possibly productive approach, for there is considerable disagreement within the American academic and policy communities on American interests in Eastern Europe. But the "concentric circles" of Brzezinski's questions do not ripple out widely enough. He never asks the ulterior question: Despite the sympathy that we all share, as individuals, for the Polish people, why should the United States care? That is the significant, operative consideration. It is a question of the limits, the proper limits, of the *American* domestic system, political, social, and economic.

Curiously, the questions Brzezinski and all others have asked are collectivist questions. They reveal unexamined collectivist assumptions that are no less fixed than those of the Polish government, the partisans of Solidarity, and the rulers of the Soviet Union. Such assumptions about the American collective "national interest" derive from statist premises so deeply rooted that they are not even recognized, let alone questioned. For example, few question the assertion that the Polish situation presents the United States with an "opportunity" to extend conditional support to Poland and to coerce and weaken the Soviet Union.

But the Polish crisis must be set in the context of American domestic-policy considerations. Foreign policy problems, especially if they are taken as value questions, must be seen from the standpoint of individual American citizens and private organizations, who pay the bill and suffer the risks. Most commentators have dwelt extensively on "what" is happening in Poland and Eastern Europe, and the Soviet Union's relationship with those areas. Few have asked the question, So what? Yet the question of what the United States should do can and should be translated into the question of why American citizens should be forced to "care." This may be an unaccustomed perspective, but, in this case, the subjective—indeed, the selfish—questions are the right ones.

Interestingly, in the Polish case, the

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Reagan administration has taken a good deal of criticism, some of it generated inside the administration, mostly for assuming an "economic" or "business-oriented" position. This has been the case even though the Reagan administration's stance, on this issue and in general, has been far from ideal laissez faire, being in most ways still state-centered and manipulative. The administration is being criticized, rather, for the few things it has refrained from doing in the Polish, and more broadly in the Eastern European, situation: It was reluctant to carry the ban on technology transfers to the Soviet Union to its strict conclusions, and it has not yet reimposed the embargo on grain sales, which it lifted after taking power. Of these criticisms, one thing at least seems true—the position of the administration so far represents a few inchoate instincts, not a consistent policy.

*DESPITE THE CONTINUING* turmoil and economic decline, the Jaruzelski government in Poland, with its Soviet sponsors, may yet win its limited wager. It has suppressed Solidarity while making the minimum concessions to political leniency. It has managed to restore a semblance of order, and even some labor discipline—what communists used to be famous for, and what Western bankers are hoping for. It has reduced the Western alliance to fulminations and a few uncoordinated, ineffective symbolic sanctions. And it has divided Western comment, even within the United States, with such "realists" as George Kennan and Ronald Steel essentially respecting the Polish, and Soviet, accomplishment.

As repressive measures were clamped on Poland, many in the West began to criticize the Reagan administration for failing to intervene earlier, more effectively, more massively, and more consistently. The autumn crisis in Poland gave way to a winter of recrimination in the United States. The ugly question was raised: "Who lost Poland?" The classic statement came from Anthony Lewis of the *New York Times:*

> [The Reagan] administration's performance on Poland before the crackdown December 13 was dismal. Whatever chance the West had of affecting events, Washington lessened it by ignorance, muddled priorities, and lack of imagination. . . . The experiment in reform could not work unless the Poles got massive economic help from outside—from the West. That required an act of daring and imagination, a willingness to pledge very large sums on condition that the process of reform in Poland continue. The leadership in those steps could only come from Washington. But there was no leadership. There was no imagination. There was nothing that suggested an understanding of the stakes in Poland.

Actually, the Reagan administration had intervened quite extensively in Poland, through heightened denunciations and multiple sanctions—both those against the Polish government (the most notable of which was the ban on fishing off our coast) and those directed at the Soviet Union (the suspension of high-technology exports and oil and gas machinery, but not of grain shipments).

**THE ADMINISTRATION IS BEING CRITICIZED FOR THE FEW THINGS IT HAS REFRAINED FROM DOING.**

Much of the criticism of the Reagan administration has come from *within* the administration itself and is the product of frustrated bureaucrats, many at State Department desks. According to one such Eastern Europe specialist, "State was arguing, pleading," for a dramatic Polish relief program, but "the problem was economic tunnel vision" at the White House. To translate from the bureaucratese: In the end, the White House cared more about the American economy than the Polish economy.

From the beginning, there have been two principal camps within the Reagan administration. The first contains the "real" Republicans, who are still conservative enough to balance their foreign predilections with some concern for the American economy. The second camp encompasses neoconservatives—actually a misnomer, since most of them, by their own admission, are Humphrey Democrats just slightly curdled. They are not conservatives at all, except in some of their repressive social doctrines and their taste in foreign countries. They are the survivors of the old social-democratic movements, with the exaggerated anti-Sovietism that could be fueled only by the antagonism that one brand of interventionist collectivist has for another. It is the latter group that naturally has the most affection for Solidarity.

The principal difference between the two camps comes out on every conceivable occasion. The real Republicans want to save money, both at home and—when they can keep their minds on it—abroad. They are the kind of people who would rather save the bond market than the world. The neoconservatives, on the other hand, don't care how much money they spend, at home or abroad, as long as it is in a congenial crusade. What binds the two groups together in this Reagan administration is largely the same foreign sympathies. What divides them, finally and diametrically, is how to finance those sympathies.

These two groups inevitably split up when it became apparent that there were no cheap victories for us to win in the Polish crisis. One commentator noted that the aid necessary "to salvage the audacious Polish experiment . . . needed to be comparable in concept—though not in actual outlay of American funds—to the post-World War II Marshall Plan for the reconstruction of Western Europe." The only thing wrong with this statement is that "the actual outlay" would have to be *more* than the Marshall Plan. For what is demanded is enough money to insulate the Polish economy and society, perhaps for decades, from foreign invasion, foreign competition, and other assorted facts of international life. Anthony Cordesman, in the *Armed Forces Journal International*, estimated that Poland needs "the equivalent of $3 billion a year in 1981 dollars . . . to refinance its existing debts . . . [and] another $2 billion a year . . . to allow rapid Polish economic recovery and stabilize Poland's economy in a way that would allow the Party and Solidarity to end the spiraling conflict between them."

The Polish government projects the



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estimated shortage of supply in the consumer market at 557 billion zloty, or from $4 billion to $14 billion, depending on what you think the zloty is worth these days. This is a country, after all, whose total exports have fallen by a quarter in one year, its coal exports by 60 percent.

IT OUGHT TO BE NO surprise, then, that the Reagan administration—that is, the intimates of the first camp who dominate the administration—declined to step into this yawning breach. And, on the other side of this ledger, it ought to be no surprise that cutting American grain shipments again was not among the sanctions applied by the Reagan administration to the Soviet Union, since that move would cost $20 billion in subsidies to American farmers.

Future American moves vis-à-vis Poland and the Soviet Union may be decided with similar "economic tunnel vision," especially by an administration that does not fancy that it can tax infinitely. The people in Reagan's inner circle intuited, finally, that there is no reason to subsidize either a Polish Marxist government or a Polish labor movement—or, for that matter, some East European mixed Marxist-market economy.

Indeed, although the Jaruzelski government has professed its intention to introduce greater economic rationality in the economy by, for example, raising the price of food closer to its natural level and devaluing the zloty, the signals are oddly mixed. It is also reported that the government is moving against private businessmen even though revitalization of small trades is key to its plans for economic reform. Apparently the purity of economic motive still has priority in Warsaw.

The program of Solidarity, despite its important gestures to political freedom, is even worse from an economic standpoint. It wants "reforms," but *in*, not away from, the planning process. It would have solvency, but through subsidized prices, shorter hours, more holidays, and more relaxed work rules. Solidarity, like many labor unions, particularly in Western Europe, represents a kind of rogue, romantic socialism, not remotely—in its present demands and expectations—market-oriented or even enterprise-oriented in a sense that anyone in the United States would recognize. Admittedly, there might be, within the scattered intellectual sources of support for Solidarity, some hint of free-market thinking. Solidarity member Stephan Kurowski, a Warsaw economist, has been called "a Polish Friedmanite." But Kurowski was unsuccessful in becoming one of the "expert advisers" to the Gdansk strike in August 1980.

Of course, everyone is now calling for the restoration of Polish productivity, as the priority item for recovery, the essential condition for survival. George Kennan, for example, wants a compromise that would solve Poland's economic problems and also not be too threatening to the Russians. That's very nice, but it is not in the cards. The economic problem is far deeper, and more serious, precisely because it gets down to the fundamental contradiction in all the Eastern European communist systems. Poland was sinking, quite simply, because communism and productivity cannot coexist.

**THERE IS NO REASON TO SUBSIDIZE EITHER A POLISH MARXIST GOVERNMENT OR A POLISH LABOR MOVEMENT.**

If Poland were to achieve a truly productive economy, it could only be a free economy, and that *would* be a threat to the Soviets—a threat, moreover, directly proportional to its success, for the better a free Polish system worked, the more it would threaten the Russians. But if Poland fell short of a productive economy, then it would require more and more Soviet subsidies, because it would get less and less Western ones. (A foretaste of this is the Soviet-Polish aid agreement, signed on January 6, 1982, which provides for $11.8 billion of two-way trade, including supplies of Soviet oil, gas, iron, and timber, and $3.8 billion of credits.) And because that situation would inspire more unrest and new Solidarities, it would invite even more virulent Soviet intervention. Either way, Poland is likely to become a more Soviet-dominated state, and a perpetual Soviet problem. It is a bad prognosis, a sort of Catch-22.

WHAT POLICY lessons can we distill from the Polish situation? It would be surprising if this administration were to end up compromising our own system, through risks or exactions, to make collectivism look good—to help quasi Marxists against paleo-Marxists—to rescue either Solidarity or the Polish government (and it is not clear which effect any aid would have). If we can get some perspective on the Polish problem, it remains, even at this late date, a quarrel within the Marxist camp, between different brands of collectivism.

There are two questions that pertain, respectively, to the dependent countries of Eastern Europe and to the Soviet Union: debts and sanctions.

The first issue that now encapsulates the American attitude toward the Polish crisis is debts. Figures abound on the debt status of Poland, the Eastern European countries, and the communist bloc in general. The numbers shift, over time, but the communist bloc now owes from $70 billion to $80 billion to the West, of which perhaps nine-tenths is owed by the dependent Eastern European countries. The Polish debt is roughly $28 billion, of which West Germany is the largest creditor nation, with its private banks lending $6 billion (of which perhaps $2.4 to $3 billion is guaranteed by the German government), and the United States is next, with about $1.7 billion of debt held by private banks and about $1.9 billion in direct government loans. Romania is said to owe the West between $10 billion and $14 billion, with at least $5 billion held by private U.S. and European banks. Even East Germany, the industrial showcase of communist Eastern Europe, owes $13 billion to the West.

The large policy question is whether



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"the West"—or the individual nations, or the individual banks—should continue to reschedule principal payments, as they recently did for $2.4 billion due in 1981, and refinance interest payments, or insist adamantly on prompt payment. The latter course would be the equivalent of "calling" Poland, and possibly other countries, into default, without so much as doing this officially at the national level. Opinion is divided along several axes. Some, such as Felix Rohatyn, would force Poland into default, in order to starve that country, and the communist bloc, of capital infusions in the future. Others would grant Poland, and others, new loans, or extended terms, for several reasons—some for the sake of abetting Poland's social revolution, or what is left of it, others for the sake of continuing the policy of "differentiating" or separating Eastern Europe from the Soviet Union, and still others for the sake of avoiding the destabilization of the West's financial institutions.

Among those who would continue credit to Eastern Europe, there are few, if any, who favor granting unconditional loans. All would impose conditions of some kind. Many, particularly among Solidarity's supporters, would make further transfers of capital to Poland *contingent* on the Polish regime's modifying its repressive military rule and including Solidarity and other non-Party elements in a new consensus—a social compromise that would be tolerable to the Polish people, and at least face-saving for the West. Others, such as the *Economist*, have a detailed list of economic reforms they would impose on Poland as a condition for new lending. The proponents of both political and economic conditions make these propositions out to be both necessary and *sufficient* conditions for renewed lending and loan relief. The distinction could be important.

Finally, some, including myself, believe that such economic manipulation is not a game we should be playing—certainly not at the government level, which is, after all, the only level where such a politicization of economic activities and actions can take place. We would not opt for continued government lending, or government-guaranteed private lending, remedial or additional, to Eastern European communist countries; and we would certainly not make such lending conditional, either on political terms that could not be met without risking Soviet intervention, or on economic reforms that, however stringently drawn, would, in the last analysis, still be cosmetic and likely to be violated—after the new loans had been granted. The centrally planned economies of Eastern Europe (even, some would predict, Hungary) are likely to come into a degree of trouble that would prejudice repayment of the principal and payment of the interest. Such economies simply do not use capital efficiently; they cannot attain the requisite investment-output ratios. Even if they did, it is doubtful that they would have anything significant to sell the West.

**TREATING CREDIT DECISIONS AS PRIVATE DECISIONS WOULD MINIMIZE DANGEROUS POLITICAL FRICTIONS.**

In any case, further decisions on credit—whether to grant or withhold—should not be seen as unified, centralized, mandatory acts of governments. It is for private institutions—bank by bank and board by board—to make such decisions. They should never have been relieved, through government guarantees, or implied guarantees, or even "statesmanlike" encouragement, of their proper responsibilities to their stockholders and depositors. As for the question of default, it is not a matter of national will, but a fact—not in itself a "sanction," but simply the recognition of a fact.

Treating credit decisions as the private decisions they are would help depoliticize economic relations, encouraging economic activity and minimizing dangerous political frictions. It would also reduce government interference in our economic affairs, affirming an important point of principle frequently voiced, but too infrequently followed, by the current administration.

THE SECOND important issue in current American relations with Eastern Europe is punitive sanctions against the Soviet Union for being either a collaborator—to some imprecisely determined degree—in, or a mere beneficiary of, the Polish repression. Of course, the Reagan administration has already imposed certain sanctions: the cutoff of some technology transfers and the partial denial of pipeline equipment, on December 29, 1981, and, more recently, the denial to American companies of the right to grant licenses to European companies to supply substitute equipment to the Soviets.

What remains is a renewed embargo on grain sales. A consistent individualist view would opt for no sanctions, neither the grain embargo nor the direct or indirect denial of pipeline equipment. This judgment is not based solely on practical considerations, such as loss of trade for American firms and farmers, though these are surely significant. Nor is it based primarily on the important insight that among economically interdependent nations, sanctions can become hard to distinguish from acts of war (an example being the American cutoff of oil and iron exports to Japan in 1941). But the encompassing point is, rather, a matter of principle: There should be no governmentally imposed, governmentally coerced embargoes of trade, industrial or agricultural, by private American firms. There should be no attempt to orchestrate a national or international response. In short, no playing politics with the economic activities of individuals.

In all the discussions of means, devices, mechanisms, and specific actions, a question that is largely ignored is, What do "we" want in, or from, Eastern Europe? There are two main camps. There are those who would exploit opportunities to encourage damage to or dissolution of the Soviet empire, or of communist rule in general, and those who do not see this as productive. Among the first group, there is a further split. Some would



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like to weaken the communist grip on all of Eastern Europe including the Soviet Union, in an undifferentiated way, to embarrass and deprive all governments, Soviet and satellite alike. These "unifiers" in the present administration would seem to be Secretary of Defense Caspar Weinberger and his advisers in the Pentagon.

Others would differentiate the two categories of nations—the Eastern European dependents from the source of their political control, the Soviet Union—in order to wean or wrest the satellites from the bear's embrace. This variant encompasses Zbigniew Brzezinski's approach of "bridge-building," that is, of treating the Eastern European dependents, in certain functional categories, in a more constructive, accommodating way, and attempting to do so in a conspicuous manner. A proponent of such differentiation is former Secretary of State Alexander Haig, who observed in an interview with *Business Week* that "I have been a firm believer that today the U.S. is observing the unraveling of the classic Soviet empire. By any measurement you care to apply—economic, political, demographic—this unraveling is clear. It is an error to pursue policies which have the practical consequence of reversing those inevitable historic trends, no matter how temporarily—because I think they're inevitable, though I sound like a Hegelian. That means differentiation in Eastern Europe."

Opposed to both variants of the militant position is, of course, the relatively acquiescent stance Henry Kissinger took when national security adviser and secretary of state (though not more recently, as a critic). This stance also characterizes such political "realists" as George Kennan and Ronald Steel, who tend to take Yalta seriously. This position was characteristically expressed in the Sonnenfeldt doctrine, which may have provided the critical margin that deposed President Ford and brought us four years of Jimmy Carter. Since its enunciation in 1976, it has come to be practically discredited on sight. In essence, the Sonnenfeldt doctrine posits that it might be in the American interest to foster, or at least to allow, placid and close relations between the Soviet Union and its affiliates in Eastern Europe—to leave the Soviets their own "sphere," so to speak. This doctrine is not a historical novelty; nor has it been narrowly held. It would have united Henry Kissinger with Henry Wallace and Henry Wallace with Robert Taft.

*BUT THERE IS* still the more fundamental question of the referent for our foreign policy. When we ask what "we" might want in, or from, Eastern Europe, we must ask: Who is "we"?

**ORDINARY ECONOMIC FUNCTIONS SHOULD BE DELINKED FROM STRATEGIC, POLITICAL, AND GEOPOLITICAL CONCERNS.**

For, in the practical policy disagreements that are currently considered the "real world" of intragovernmental bargaining, all the militant positions—default vs. rollover, differentiation vs. nondifferentiation—are statist and mercantilist, in the sense of amassing *national* advantage from international transactions. All, in urging expensive and risky courses, necessitate fastening the corporate state on our own society; to oppose collectivism abroad, they necessitate it at home.

Quite naturally, Richard Pipes, the senior staff member of the National Security Council primarily concerned with Eastern European matters, took this kind of state-centered position in an interview with *Time*: "The United States can [support putative Soviet reformers]. . .by raising the cost of a Soviet expansion with a credibly strong military posture, and, second, by extending such support as we can to groups resisting a takeover by Soviet forces or Soviet proxies." Even such a relatively moderate observer as Dmitri Simes wrote in *Foreign Policy* that "if the Soviets have committed a major encroachment on U.S. or Western interests or if the Western alliance has the means to influence either Soviet policies or at least their outcome, the West should seek to discipline Soviet power . . . . If the West can challenge . . . Soviet domination of Eastern Europe . . . it should."

And so, the ultimate questions in American policy toward Eastern Europe—as in American foreign policy in all areas—are, Who pays? Who gains? These are rarely asked by American editorialists, analysts, advisers, ambassadors, policy makers, and politicians. Instead of the state-centered, mercantilist model, there is another model for the conduct of American foreign policy, one that pivots on another kind of referent: It is an individualist model, a laissez-faire model, if you will.

In the case of Poland, the real source of the defaulted loans was, after all, immoderate "private" lending that was really only quasi-private since it was stimulated, even when not actually granted or guaranteed, by government. There is no reason to immunize international lending from considerations of risk. Part of the depoliticization of foreign-policy decisions and consequences would be delinking ordinary economic functions from strategic, political, and geopolitical concerns—letting economic functions find their own level. Even when dealing with other entities that are governments, and with other systems that are not really markets, such an individualist aproach would get as close as one can to market criteria, at least for our own actions and decisions.

Some would object that this rule would actually be more permissive of trade with the East in critical items—that it would allow businessmen to fulfill Lenin's dictum that the capitalists would sell the communists the rope to hang them. But if it comes to selling rope, at least it should be done by those who know how to peddle it and to get a good price for it. In any case, a rope is not enough; any user needs an ample and stable platform to conduct a hanging. We don't have much to worry about.

Like most questions of foreign policy, America's relations with Eastern Europe are less "foreign" than they first would appear, since in the last analysis foreign policy is a limiting case of domestic policy. It all begins, and ends, at home. ▣



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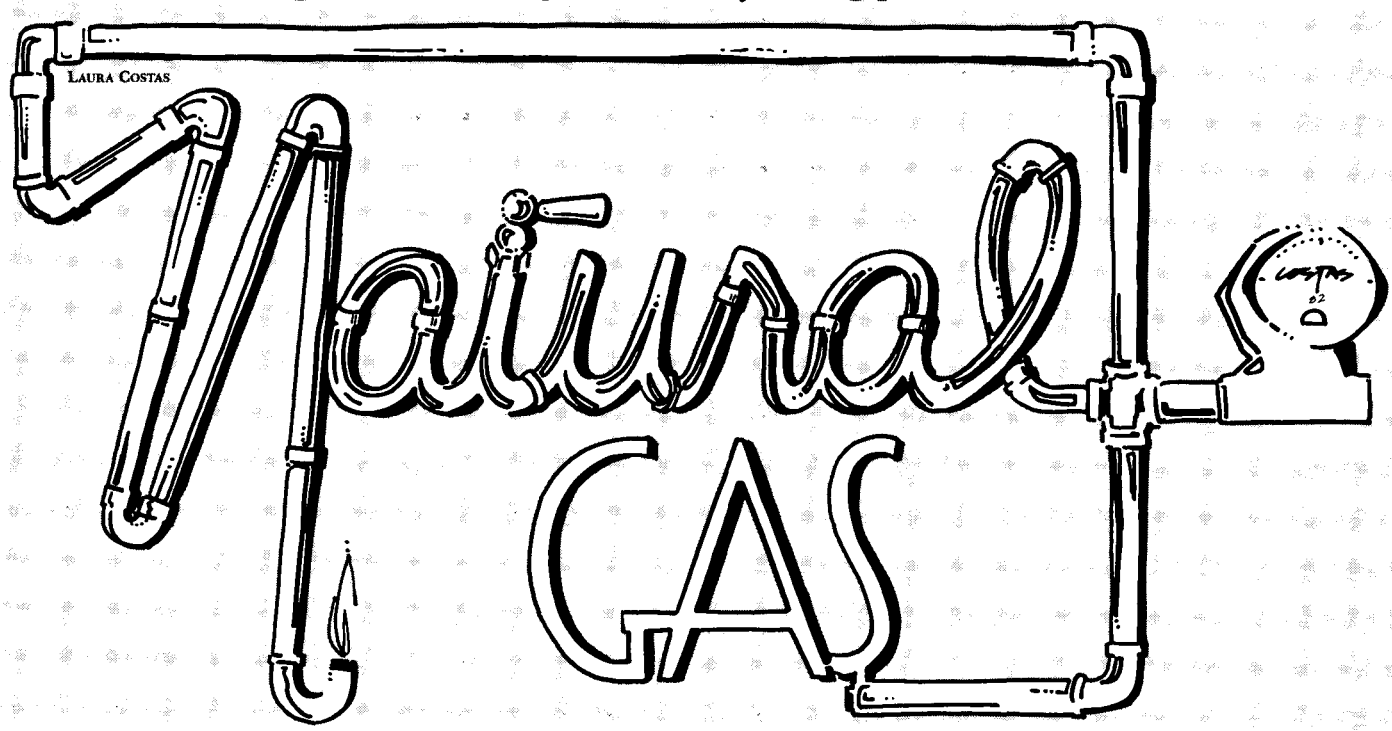
*Federal regulation of natural gas has been an unmitigated disaster, leaving in its wake declining production, crippling shortages, and the promise of rising prices.*




# The Controls Are on You

by Milton Copulos

*THE PHONE LINES* lit up early on the morning of September 23, 1981, as the Department of Energy's Office of Congressional Liaison began laying the groundwork for the long-anticipated announcement of the administration's plan to decontrol natural gas prices. After a fast start on the energy front—decontrolling oil prices and calling for the abolition of the DOE—the Reagan administration had bogged down. The fight over the first year's tax and budget cuts simply had left no time for energy issues, and especially none for gas decontrol. Recognizing the gas issue as a political "hot potato," officials pleaded with decontrol advocates to "wait until the budget is passed."

Well, on that morning it looked as if the waiting was finally over. The Congressional Liaison Office had been working overtime for weeks, preparing lists of key senators and congressmen to notify in advance of the planned formal announcement, and making sure that each senator's and representative's schedule was in hand so there would be no trouble in locating them. Briefing papers and fact books were assembled, statistics compiled, press releases written. It was as professional a job as Washington had ever seen, and no one observing it could doubt for a moment that the real push was about to begin.

A press conference was scheduled at 2 P.M. on the appointed day, but no one expected any surprises. Most press insiders knew that the decontrol proposal called for a phasing in of market prices over several years, and that the process was to be completed by the time current controls would expire in 1985. In fact, it was generally accepted that the full cabinet meeting scheduled to take place immediately prior to the press conference was little more than a formality. The Cabinet Council on Energy and Natural Resources was unanimous in its recommendation to lift price controls, and a substantial majority of the full cabinet shared this view. All in all, decontrol looked like a sure thing. In Washington, however, there are no sure things—at least until the president decides; and this time he decided that the time was not yet right to move on gas. With an election year fast approaching, deferral was really a death knell for natural gas decontrol.

The president's decision stunned DOE officials. All of their weeks of planning, drafting legislation, and drawing lobbying strategies, had just gone up in smoke. Utility interests, and their allies among certain gas drillers who feared new competition, had won the day. More important, the public had lost.

It has been said that politics makes strange bedfellows, but few political matings have been quite as strange as those that evolved on either side of the natural gas issue. In time, it took on a

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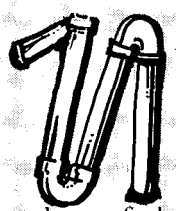
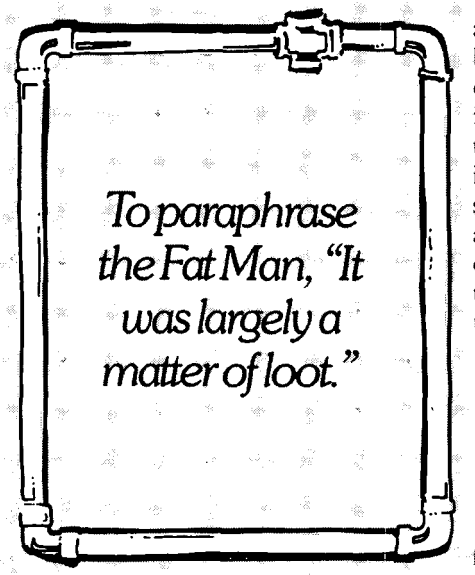
sort of "through the looking glass" quality as environmental groups found themselves advocating the same positions as their old nemesis "Big Oil," huge pipeline conglomerates linked up with consumer groups, and liberal northeastern congressmen started talking about things like "free enterprise" and "the market system." Even the Independent Petroleum Producers, normally a bastion of free-market advocates, was split on the issue. To the casual observer, the positions didn't have any rhyme or reason, but that was just a surface impression. Powerful economic and political forces were coming into play, forces that had been set into motion decades earlier and were finally making themselves felt. In short, to paraphrase the Fat Man's comment to Sam Spade on why the Crusades took place, "It was largely a matter of loot."

To understand just how the current mess got started, though, it is necessary to go back to the time that the politics of natural gas were first set into motion.



*NATURAL GAS HAS* been used in the United States since the latter part of the nineteenth century. As far back as 1897 it was used as a fuel in twelve states. Still, most drillers viewed it as a nuisance, to be burned off to get to the oil beneath. Through the middle 1920s, the federal government paid little attention to the natural gas market, but things changed by the end of the decade, when a variety of interests began to warn of an alarming trend toward concentration in the natural gas industry. Responding to these expressions of concern, the Federal Trade Commission studied the gas industry and, in 1935, reported that small producers were indeed being squeezed out. At about the same time, Congress came under pressure from a number of midwestern city officials who claimed that the large pipeline companies were pricing their gas unfairly. For many congressmen who remembered the Standard Oil Trust, these complaints seemed to add credence to the trade commission's findings.

Congress responded by passing the Natural Gas Act of 1938. The act extended the jurisdiction of the Federal Power Commission, which had been created to regulate the interstate sale of hydroelectric power, to include

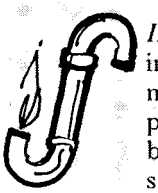



regulating the interstate sale of natural gas. Congress, however, limited the FPC's authority to gas flowing through pipelines, stating specifically that the act ". . . shall not apply . . . to the production or gathering of natural gas." There were valid reasons for this limitation.

The search for natural gas is a risky business at best. It doesn't enjoy the relatively stable and secure returns on investment that characterize the electric utility business—the one the FPC was accustomed to regulating. The notion of trying to regulate gas production as if it were a natural monopoly—as utilities are supposed to be—was ludicrous on its face. It therefore made good sense to keep this portion of the natural gas industry beyond the FPC's grasp. As usual, however, the government just couldn't leave well enough alone.

In 1954 the Supreme Court, through the landmark *Phillips* v. *Wisconsin* decision, gave the Federal Power Commission the authority to set the wellhead price of natural gas sold on the interstate market. With this move, the Court effectively created a two-tiered market for natural gas. On the one hand, gas produced and consumed within the confines of a single state would remain free of federal interference. On the other, gas produced in one state and consumed in another would be subject to regulation by the FPC. In short order, though, it became apparent that the Court had handed the commission an impossible task.

The trouble was that the wide variations in cost typical of the natural gas industry made it impossible to regulate evenhandedly. As a result, it wasn't too long before the commission was buried under an avalanche of appeals to its decisions. The backlog became so large that by 1960 it was estimated that even if the FPC tripled its staff it would still have taken until the year 2043 to process the 3278 cases it had pending. Logically, the commission should have abandoned the attempt to regulate the wellhead price of gas. Logic, however, has never been the strong suit of political bodies, and the FPC was no exception.



*SINCE THE PROBLEM*, in the eyes of the commissioners, was one of paperwork generated by appeals of their decisions, they set out to find a way to limit appeals. Eventually they decided to divide the country into five regions and set maximum producer prices for each region. Of course, these rates failed to allow for the vast differences in costs, and therefore rates of return, that existed between wells even within the same field, but that didn't matter. The change had nothing to do with what was fair, or what the market conditions were. It was aimed at reducing the paperwork the FPC had to contend with. As might be expected, the new approach was gravely flawed. In practice, the FPC froze interstate natural gas prices throughout the 1960s, giving higher-cost producers no incentive to produce for that market. The level of reserves earmarked for interstate sales began to plunge. In 1964 the ratio of reserves to yearly production—the cushion that gives producers time to seek new supplies as reserves are consumed—was 18.9, just a little under the optimal level of 20. By 1977, however, that ratio had dropped to 8.5, and total gas reserves earmarked for the interstate market had fallen to less than half the 1967 peak of 189 trillion cubic feet. Clearly on the controlled, interstate market, at least, a shortage was developing. On the uncontrolled, intrastate market, however, the picture was different.

In addition to being free from federal controls, most intrastate producers also had local regulatory bodies that allowed them to make a profit. Rather than declining, proved reserves earmarked for this sector actually increased slightly through the 1970s. Moreover, while the prices charged for intrastate gas were higher than those charged for gas sold between states, the price differential was not great enough to suggest the gouging widely





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associated with monopolies, nor did it inordinately constrain demand.

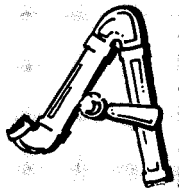
It was not too long before the full folly of price controls became evident. As reserve ratios continued to deteriorate on the interstate market, low, controlled prices kept demand on the rise. It therefore became inevitable that shortages would eventually develop. By late 1970 the situation had grown so serious that the Federal Power Commission ordered some large natural gas consumers to curtail their purchases. The action foreshadowed the "share the shortage" mentality that was to become so prevalent during the Carter administration. This approach totally ignored the FPC's own responsibility for the decline in gas resources and, more importantly, set the stage for the myth that our nation was running out of natural gas.

When the commission did at last allow producers some price relief, it was too little and too late. Particularly damaging, though, was the fact that its policy of keeping prices artificially low throughout the 1960s created a vocal constituency opposed to any further increase, thereby ensuring overconsumption. Natural gas, after all, is a premium fuel. It is clean, convenient, and easy to transport. At a bargain price, gas was too good a deal to pass up—and few did. Once little more than a nuisance, natural gas grew to become America's sixth largest industry, wrecking the coal industry in the process. The trouble was, like any deal that seemed too good to be true, it was.

The shortages first felt in 1970–71 hit home with a vengeance during the winter of 1976–77, one of the coldest on record. Severe supply shortfalls wreaked havoc on the gas-consuming states of the Northeast. Emergency measures were enacted, plants and schools closed, business hours curtailed, but it still wasn't enough. The hard-hit regions were rapidly learning a cruel lesson: The costs of high energy prices pale in comparison to the costs of not being able to get it at any price. As the winter's toll of human suffering and economic disruption rose, Congress was bombarded by constituent mail insisting it "do something" about the situation. Ironically, it was the decontrolled intrastate market that provided their salvation.

At the very time that some consumers were paying their pound of flesh for the years of artificially low prices they had enjoyed, other consumers were enjoying the benefits of a relatively unrestricted market. There was a surplus of natural gas on the intrastate market, a surplus more than adequate to relieve the interstate customers' misery—at least in the short run. With typical logic, or lack of it, Congress only saw part of the message inherent in this set of circumstances: that the immediate solution to the crisis lay in transferring gas from the intrastate to the interstate market. What they missed, however, was the more basic truth: that the long-term answer to ensuring adequate gas supplies lay in getting rid of controls. They therefore opted for a band-aid rather than the radical surgery required, and passed the Emergency Natural Gas Act of 1977. Although this stopgap move did relieve the immediate crisis, it also sent a clear signal that Congress was finally going to have to face up to the gas issue.

*The severe shortages taught a cruel lesson: The costs of high energy prices pale in comparison to the costs of not being able to get it at all.*



*ALTHOUGH THE FACT* that price controls cause shortages might have seemed an obvious and logical conclusion given the evidence of the winter of 1976–77, it proved unfathomable to the Congress. Instead of moving to repeal the price ceilings as soon as the immediate crisis was over, Congress instead embarked on a lengthy and heated debate over whether they should be removed at all. One of the central issues in that debate was whether or not there was additional gas to be found at any price. Ignoring all of the data published by authoritative sources, many Members persisted in the unfounded belief that U.S. gas resources were in imminent danger of exhaustion, and that removing controls would only lead to price gouging as shortages became more severe. Congress largely ignored studies by the U.S. Geological Survey and the Colorado School of Mines estimating that enough gas remained for from thirty-seven to forty-five years of consumption, assuming current demand and unchanging technology. (In practice, technology will improve over time to allow recovery of gas that is now uneconomic to produce.)

The waters were further muddied by the desire of the newly elected Carter administration to prove that the United States really was entering the age of scarcity, regardless of what the facts said. The administration's willingness to manipulate data became painfully evident with the "MOPPS" fiasco. MOPPS—short for Market Oriented Program Planning Study—was an analysis ordered by the Carter administration to show how different prices would affect natural gas supplies. Carter's people hoped that MOPPS would demonstrate that natural gas supplies were nearly exhausted and that therefore, after a certain point, no new supplies would be forthcoming no matter how high the price went. They were either unaware, or unconcerned about, the fact that all geological data pointed to the opposite conclusion.

To their chagrin, the first version of MOPPS, dubbed MOPPS I, clearly indicated that supplies of natural gas would continue to increase virtually as long as prices continued to do so. Instead of accepting this conclusion, and rethinking their position, however, the administration sent the analysts back to the drawing board to try again, this time with a far more conservative set of assumptions. Try as they might, they could not get the facts to fit their preconceptions. Their study still came to the inescapable conclusion that if prices went up, more gas would be



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found. At this point, the charade escalated to the level of outright lying.

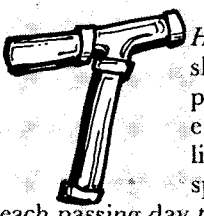
Carter's people had been arguing that a ceiling price of $1.75 per thousand cubic feet provided all the incentive necessary to attract enough new gas discoveries to reverse the short-term deficit. They also argued, though, that prices higher than $1.75 were not warranted, and in fact counterproductive, because supplies were running out, and therefore few if any additional gas discoveries would be stimulated by prices above the ceiling Carter proposed. Of course, MOPPS I and MOPPS II had just made mincemeat out of this argument, so they wanted to be doubly sure that MOPPS III didn't. To do this, they played fast and loose with something called "supply elasticity."

Basically, supply elasticity measures how much more of a commodity will become available with each incremental increase in price. In the case of natural gas, the supply-elasticity coefficient is most often assumed to be 0.75, which means that for each percentage increase in price, you will get about three-quarters that percentage increase in the amount of gas. However, MOPPS III assumed that for prices of between $0 per thousand cubic feet and $1.75 per thousand cubic feet, the supply elasticity of natural gas was 1.5. In other words, you would get twice as much additional gas for each incremental increase in price than had been previously assumed. That might merely seem an exercise in optimism, were it not for the second assumption they threw into the pot. This was that for prices above $1.75 per thousand cubic feet, the supply elasticity of natural gas was zero. That's right. No matter how high the price went, even to a million dollars a cubic foot, there still would not be one single additional cubic foot of gas forthcoming. Such an assumption made no economic (or for that matter, common) sense. It was used only to fit the purposes of the Carter position. One should add that Carter's spokesmen were careful not to make their base assumptions public.

What really made these Carter high jinks particularly egregious, though, is that they were being done in the name of decontrol. As part of the Omnibus Energy Bill, President Carter had suggested what *he* termed a "phased decontrol" of natural gas prices. However, as a trade-off for the eventual lifting of federal price ceilings, Congress imposed federal controls over intrastate gas prices during the phase-out period. While this seemed on first glance a reasonable compromise, it proved to be a drastic mistake. It took the one sector of the natural gas market that had been functioning smoothly and ensured that it too would be thrown out of equilibrium. To make matters worse, rather than simplifying the rules producers had to live under, the new plan ended up creating some eight primary categories of natural gas wells, and more than thirty subcategories.

More than anything else, the Natural Gas Policy Act (NGPA), as the Carter initiative came to be called, is reminiscent of the man who jumped from the roof of the Empire State Building—when asked why he did it, as he plummeted down the skyscraper's side, he said, "It seemed like a good idea at the time." Like that man, the NGPA met a sudden shock when it had run its course—a price shock.

In drafting the NGPA, Congress decided to tie the phase-out of controls to the world price of oil. Again, logical enough on the surface. However, they decided that the world price would be around $15 a barrel in 1985 and used that fixed figure as a basis to determine how rapidly gas prices would rise. This lack of flexibility would come home to roost the following year, as oil prices skyrocketed and gas prices could not keep pace. To illustrate the point: Outside the United States, where there are no controls, natural gas prices rose an average of 48 percent in the first year after the NGPA was enacted. Domestic prices, though, were only allowed to rise 11.6 percent under NGPA. As a result of the use of a fixed target, the gap between U.S. domestic prices and those prevailing on the world market continued to increase. Eventually the gap became so large that fear grew that a lifting of controls as scheduled in 1985 would result in an inflationary shock to the economy similar to those that followed the oil price increases of the 1970s. Called a "price spike" by insiders, the notion of such steep increases in natural gas costs became the primary reason the whole issue of decontrol was reopened in 1981. It was also the fear of a price spike that resulted in moves by both Congress and the administration to duck the issue until after the 1982 election. As real as this fear is, the empirical evidence would suggest that it is exaggerated. More importantly, deferring decontrol until some later date may actually increase the likelihood of such a steep price rise by interfering with the basic realities of supply and demand.



THE RELATIONship between supply, price, and controls explains why the likelihood of a price spike increases with each passing day that decontrol is not implemented. It also helps explain why the continuation of price ceilings on natural gas has found such broad support not only among consumers but among some independent drillers as well.

To begin with, natural gas is a "fungible" commodity, which means there exists a ready substitute acceptable to consumers. In this case, the substitute is residual fuel oil or "resid." Industrial boilers using natural gas can readily burn resid instead. Since they consume nearly one-third of all the natural gas sold, they tend to be the principal factor in determining price. Further, since resid is an acceptable alternative, its price sets a limit on gas prices. If gas prices should rise too steeply, then industrial boilers will switch to resid. If resid in turn should become more expensive than gas, they will switch back to gas. Current resid prices would mandate a ceiling for natural gas at the burner tip of around $5 per thousand cubic feet. Because of this relationship, the price of natural gas is unlikely to rise above that of resid even with decontrol. Ironically, however, if controls continue, the price of some, if not all, gas may well be in excess of the $5 figure.

The reason for this particular anomaly is that most of the new supplies being discovered are so-called "deep gas," found below 15,000 feet. Deep gas is the only kind not subject to federal controls, and is being sold for as much as $11 per thousand cubic feet. Drillers are able to charge this premium at present because pipeline companies still have access to old reserves of price-controlled gas that sells for as little as 25 to 35 cents per thousand cubic feet. This low-priced gas is mixed with the high-priced deep gas, and the average price remains relatively low. However, if decontrol does not take place, and the cheaper gas runs out, we may find ourselves, at some future date, with a significant proportion of our supplies comprised of deep gas. With time the overall price





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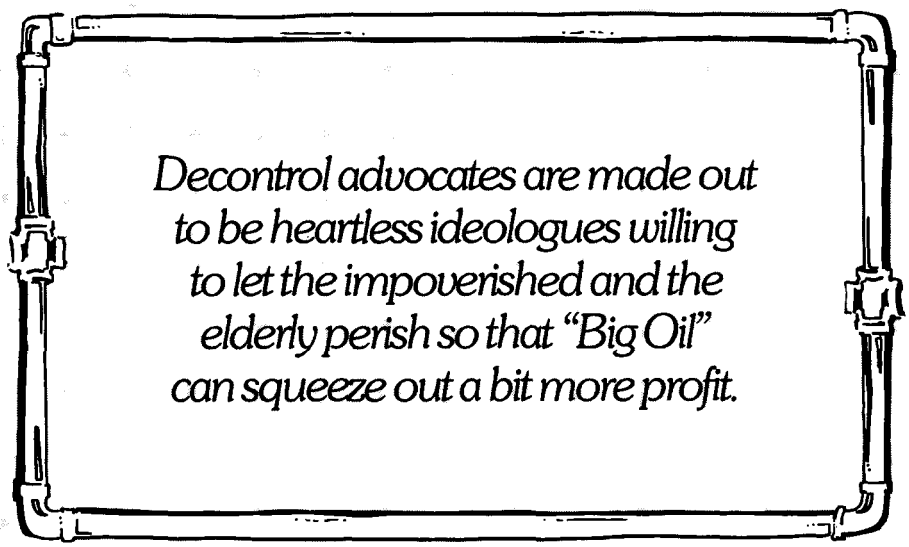
Decontrol advocates are made out to be heartless ideologues willing to let the impoverished and the elderly perish so that "Big Oil" can squeeze out a bit more profit.

could easily rise to levels above those that would prevail under decontrol. Without controls, producers would have an incentive to explore for other—and cheaper—kinds of gas than deep gas. These new supplies would in turn lower overall prices, and also keep deep gas prices down to reasonable levels.

The enormous incentives that now exist for deep gas producers explain why they have lobbied so vigorously for continued controls. The removal of price ceilings would force them to either lower their prices or lose their markets. The same is true for advocates of Alaskan gas and synthetic gas. Both of these commodities also need a continued supply of artificially cheap, price-controlled gas for blending if they are to be economically viable. They also depend on shortages of normal gas to keep up the demand for their specialized, high-priced product. Large pipeline companies that have already contracted for deep gas or that are moving to produce synthetic gas have a similar stake in continued controls. As the Fat Man said, it is largely a matter of loot.

The question is, if greed were at the root of the lobbying campaign that industry waged to put a stop to gas decontrol initiatives, why didn't the administration and the Congress see the truth? The reason is simple: They were also being assaulted by consumer groups and some labor interests, who frame the anti-decontrol debate in a different, far more politically damaging way. Decontrol advocates are made out to be heartless ideologues willing to let the impoverished and the elderly perish so that "Big Oil" can squeeze out a few more pennies in profit. As irrational as this line of argument may be, it tends to garner media attention and to work its way into the public's subconscious, until advocating gas decontrol comes to seem the same as advocating usurious prices.

In an election year, that's hardly the image a candidate wants to project. The political dimension of the decontrol issue was and remains the deciding factor. Even the White House obliquely recognized this fact in the announcement of its decision to defer any action on natural gas until after this year's congressional elections. They stated that decontrol would "overload an already heavily laden political agenda."

*IF THERE IS ONE LESSON* to be learned from the history of natural gas regulation in the United States, it is that the market works best. In fact, on close examination there can be no economic logic to support regulation. Keeping the price of a commodity artificially low ensures overconsumption, underproduction, eventual shortage, and, in the end, higher prices than would otherwise have existed. In the case of natural gas regulation, the controls are particularly heinous because they are so blatantly politically motivated. It is fear of political consequences that prevents the Congress from taking up the issue, fear of political consequences that causes the White House to hold back on submitting legislation and forcing the issue, and the quest for political advantage that motivates the aggressive campaigns of consumer groups, labor unions, and liberal headline grabbers. Through it all, no one seems to be considering the long-term economic consequences for the nation.

The fear of sharp price increases, shortages, and spiraling energy-driven inflation that so permeates the natural gas debate simply has no basis in fact. Of course gas prices would rise in the event of decontrol—gas is underpriced at present—but the scare stories of 300 and 400 percent price hikes are just plain hogwash. Congress must come to recognize that controls do not ensure lower prices. In fact, if anything, they ensure quite the opposite. Over the past eighteen months, in the wake of oil price decontrol, America has had a graphic demonstration of the truth of this notion. When decontrol was proposed, the Cassandras of consumerism held forth with images of a shattered economy, $2 per gallon gasoline, and oil companies grown fat on their windfall profits, but their dire predictions did not come to pass. Instead, after a small rise, oil prices stabilized, and then began to decline—a decline that continued through the first half of 1982, in spite of the best efforts of OPEC to keep prices up. As a result, the average motorist pays less for a gallon of gasoline today than he did just one year ago. In all likelihood, decontrol of natural gas prices would have similar effects.

The price of gas at the wellhead will eventually settle somewhere between $4.50 and $5.00 per thousand cubic feet, and if oil prices should continue their current slide, it could even be lower than that. Further, the wider availability of natural gas that would follow the removal of controls would have an ameliorative effect on oil prices by providing much-needed competition. Therefore, decontrol would not only help to ensure stable gas supplies, and moderate gas prices, but would even help to keep down oil prices.

There is, however, a more basic reason to remove gas price controls: Natural gas is the last major energy source that still suffers from federal price regulation. Removing this last vestige of the past will free the entire energy market from the distorting hand of government, and send a signal to the economy as a whole that controls and regulations have been proven failures. Congress recognized these considerations when it first enacted the NGPA to allow the price of gas to rise to market levels. That effort was far too timid, however, and it is now time to finish the job. ■



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# Books

**Ordeal by Fire: The Civil War and Reconstruction,** by James M. McPherson. Knopf, 694 pp., $29.95.

# The price of union

*JOSEPH R. STROMBERG*

"NO GOVERNMENT EXtending from the Atlantic to the Pacific can be fit to govern me or those whom I represent"—so spoke the prescient John Randolph of Roanoke to the U.S. House of Representatives in 1822. Well, mad Jack is long gone, and fit or not, just such an extended government exists, holding sway from sea to shining sea. With a worldwide system of garrisons, fleets, and entangling alliances that would make the ancient Romans envious, that once fragile republican federation has arrived as a centralized continental empire and the number-one world power still hedged about with the reminders of its now vestigial federalism and constitutionalism. As all our leaders tell us, it behooves us to feel uplifted and transformed spiritually by our participation in all this immoderate greatness. (It behooves us even more to pay the grand taxes that go with it.)

Now all of this territorial and moral grandeur didn't just thrust itself upon us. Getting Destiny done required a lot of work, and in the course of it a lot of people were hurt; 600,000 of them lost their lives between 1861 and 1865. Statistically, that makes the War Between the States the most costly grandeur-building enterprise Americans have yet engaged in. A real turning point; you might even call it a watershed. Looked at old-fangledly, the 1860s may have been the last chance we heirs of the American Revolution had at a nonimperial, or less imperial, future. All in all, it makes any new full-scale historical work on the period well worth our careful attention.

*Ordeal by Fire*, by James M. McPherson of Princeton, is a comprehensive treatment of the "civil war" era. He draws on the full array of established sources and new perspectives; from these, he weaves a plausible story that combines a traditional Northern view of the war with the pro-Reconstruction, "neo-abolitionist" approach that came into being after World War II. McPherson brings in such modern viewpoints as the ethnocultural school (adding a religious/cultural dimension to the social crisis of the 1860s) and the newer economic history (adducing a wealth of statistical data to support generalizations about the backward South and the innovative, industrializing, New England–inspired North).

Transportation revolution, interchangeable parts, factory organization, and the rest receive their due, as does the "ideology of free labor" developed by activists who founded the Republican Party. In the middle of it all stood racially specific chattel slavery, the cause of many of the other North/South differences and the symbol of them all. McPherson believes that the North had committed itself to an ideology and system of "modernizing capitalism" that required free labor in theory and in fact. (It didn't require blacks, however, and some free-labor advocates hoped they would disappear along with slavery.) The South clung to slavery, ensuring its own long-run economic and industrial stagnation. Under the circumstances, forcible conflict was unavoidable, as was Northern victory—and some degree of "revolution" in the process. The North's modernizing "capitalism" needed government strong enough to help it along. In any event, the Yankees also believed philosophically in the Union, and a great number of them died for their belief that the states must remain federated.

Most of the book is the detailed political, diplomatic, and military history of the war from secession to Confederate collapse. The many plates and maps will help hold the attention of those whose forte is not military history. A final, lengthy section deals with Reconstruction as the creation of a new sort of Union atop the ruins of the old one—although it was hardly the new order of racial equality and justice desired by the most radical Republicans.

So there it is, a thorough, readable, but finally fairly orthodox account. McPherson's presentation of the achievements of Reconstruction is strong, and as mentioned, in line with the increasingly accepted "revisionist" view (as against the old *Birth of a Nation* school). Other than this, his main revisionist indulgences are piecemeal and statistical: e.g., the Confederate army actually contained proportionately more foreigners than did the Union army; and the pro-Confederate Indians were chiefly slave-owning "half-breeds," while the pro-Union Indians were "pure-breeds."

NOW THAT WE ARE LIVing in the imperial system that Northern victory made possible, it seems difficult not to ask if they really should have bothered. To this question, the present book gives few answers. The most appalling battle accounts, the sheer statistics of death and destruction, the eyewitness reports and photographs, scarcely raise a scholarly eyebrow. But this is in an established historical tradition and perhaps only seems complacent.

Yet despite the view that Union victory was right or inevitable (which for the participants in the American Celebration comes to the same thing), there ought to be other ways of looking at our "most American" war. Dutch historian Pieter Geyl observed, "For American writers the overriding importance of the maintenance of the Union allows of no discussion." Even

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the "civil war" revisionists of the 1930s, who hated the war, agreed; they merely argued that somehow the Union should have been saved by peaceful means. To the question, Was it worth it? Geyl replied, "It is impossible to give an answer based on reason alone."

But we can essay an answer using the information McPherson has put together, if not his implicit values. What lay behind the axiom of unseverable Union? Certainly, the bureaucracies in Washington didn't want to lose territory, strategic or otherwise, and the larger tax-base that went with it. Free navigation of the Mississippi was a big point with midwestern exporters, even though the Confederate Congress guaranteed river access in perpetuity. Such pragmatic concerns by themselves probably would not have sent thousands of Billy Yanks south to pummel the Confederates back into the Union. No, what we have here, as McPherson says, is an instance of the fusion of liberalism and nationalism typical of the mid–nineteenth century. For the North, a virtual religion of the Union had grown up, with Lincoln finally as its martyred Moses.

To Unionists, past and present, including most historians, the Preserved Union embodied the world-historical fate of liberalism (on which rested the future of truth, justice, rule of law, democracy, and freedom). In truth, the Unionists were "National Liberals" since, like the German party of that name, which bent itself to Bismarck's will, they risked liberal values and institutions in the service of national state-building. Unfortunately, individual freedom and local liberties always seem to suffer in the wake of Great Unifiers (Cromwell, Napoleon, Lincoln, Bismarck, and Lenin come to mind). This is what makes the postwar efforts of Jeffersonians like Samuel Tilden so pathetic; if such men hadn't wanted centralization and other changes the war necessarily brought about, they should have thought twice before supporting it.

So the Union was saved to perform its subsequent worldwide military and economic philanthropies. Even with that, who would weigh the North's ideology of unbreakable Union more than the South's right of self-determination, a competing value of some standing? Especially in view of age-old American professions of support for the self-determination of all people? But slavery, it will be said, disqualified the South from ruling itself. Certainly, slavery was the grossest violation of human liberty and natural rights in antebellum America, a violation sanctioned by the very Constitution of the republic. All will agree, present-day Southerners included, that slavery had to go.

Hence emancipation is commonly held to provide the ultimate justification for the war (part of the confusion of intentions, results, and "causes" endemic to "civil war" historiography). The North fought *in order* to free the slaves—or to "modernize" in McPherson's version—and preserve the Union. A winning hand, indeed. Even if emancipation was merely the war measure Lincoln said it was, freeing the slaves filled up the North's "Treasury of Virtue" (in Robert Penn Warren's phrase). The resulting "insufferable moral attitudes," to quote Edmund Wilson, have disfigured U.S. foreign policy, with its incessant crusades, ever since. Rather than face up to the moral problems of coercing a secessionist minority, the Unionists continue to adopt an historical fatalism that changes a terrible war into a passion play of "national" crucifixion and rebirth, an *Ordeal by Fire*, as McPherson puts it, admitting of no alternative.

YET THERE WAS ANOTHER way. Many Northerners, including some abolitionists,

NANCY URBANSKI



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favored letting the South go in peace, before Lincoln forced the Confederates' hand at Fort Sumter. (Why that changed so many minds mystifies me; it has something to do with taking banners and other totems too seriously.) Three or four English-speaking federations on a continent so large might well have been a better solution than One Union kept in business by a major war.

Of course, a peaceful separation would have left slavery; but whether or not it required the moral expertise and superior firepower of the Yankees to take care of that is surely an open question. The belated Confederate debate on a limited emancipation for black Confederate soldiers at least showed capacity for change. Even without war, independence would have brought out the South's internal strains and social cleavages. Many Southerners remained imbued with the potentially libertarian "country ideology" (a form of Anglo-American republicanism) despite attempts by proslavery writers to denigrate it. Under pressure, such ideas could easily develop in a "revolutionary capitalist" direction.

The contradictions in Southern life and thought would have been the key to any internal Confederate revolution bringing emancipation in its train. Nonslaveholders vastly outnumbered slaveholders, and a battalion of Hinton Helpers could have done wonders with them at the right crisis point. Nor must the slaves themselves be dismissed as incapable of revolt—despite certain neo-Samboite theories. In sum, a Southern "bourgeois revolution" against slavery was a real possibility within a decade or two of Southern independence. Was it worth the war to guarantee emancipation by a given date?

Since the slaves were freed by the North only to be pushed back into quasi bondage after the war, it is uncertain that an internal Confederate solution would have left the blacks significantly worse off. Wartime emancipation was a case of what Edvard Kardelj called "social Bonapartism," or revolution by armed foreign intervention. Social Bonapartism is counterproductive, costly, and ineffective—something Reconstruction seems to bear out. (Unless, of course, the imperial power is utterly ruthless and has unlimited resources; fortunately the North wasn't up to a Stalinist level of omelette making, and Southerners escaped the fate of the kulaks.)

The South's problems needed radical solutions, above all land reform to create a truly emancipated black peasantry and break the power of the planter class. If the South was not to be left to its own revolutionary path, it would have been better for the North to put its victory in the service of truly radical reform. The actual Reconstruction—which could be termed the Amtrak of history—was a miserable compromise and failure. McPherson allows that "the Republican commitment to black rights had never been very deep." Given that, the world the Yankees made wasn't as different as it was supposed to be from the one the slaveholders made—except for being poorer, more devastated, more backward, and until recently, an internal colony to the Union. Denied independence, the South could only go "forward" into the post-Reconstruction "redneck revolts." The result was *Herrenvolk* democracy—increased political participation for whites, based on the oppression of blacks.

Thus, contrary to the National Liberals as well as the National Radicals (Charles Beard, Barrington Moore, Jr., and those foreign observers, Karl Marx and Friedrich Engels), Northern reform of the South was not the revolution of the 1860s. The confederacy, though founded by die-hard reactionaries, was potentially more revolutionary, because by breaking up the old Union it opened up the possibility of greater change, including destabilization of Southern society itself, and therefore, sooner or later, the Southern solution of Southern problems. On the other hand, Lincoln and Bismarck may have created more long-range problems than they solved by precluding local libertarian revolutions in the great states they unified and modernized with "blood and iron."

Vernon Louis Parrington lamented that the cause of local autonomy in America became entangled with the defense of slavery. But it was perhaps yet more tragic that, so encumbered, it lost. Even with that, however, it is still possible to think the unthinkable: to prefer regional patriotism to concocted nationalism, to put diversity before unity. The dread horrors of "Balkanization" themselves might be preferable to interminable ordeals by fire. ■

'Here, Señor, is the statue of Simón Bolivar, who liberated Latin America from foreign domination!'

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**Regulation by Prosecution: The Securities and Exchange Commission vs. Corporate America,** by Roberta S. Karmel. Simon and Schuster, 352 pp., $20.75.

# Coming of age at the SEC

*THOMAS HAZLETT*

*THEORETICALLY, GOVERN-*ment regulation of business is necessary whenever the unregulated marketplace is flawed; for example, when private decision-makers do not take into account all the costs (or benefits) flowing from their actions. Government oversight is called in much as a relief pitcher is summoned from the bullpen. Free competition, having failed to bring society to an optimal state, needs the help of an unbiased, *publicly* interested agent to finish the task at hand.

That, at any rate, was the theory, and in its heyday, roughly the half-century from 1910 to 1960, there was virtually no academic dissent from it. Yet the system of regulation had staked its validity on the existence of an impartial, dispassionate government of entirely nonaligned public servants. Where, exactly, was the state to scrounge up these vestal virgins? H. L. Mencken wondered about this theory of the state, and this very problem:

> What keeps such notions in full credit, and safeguards them against destructive analysis, is chiefly the survival into our enlightened age of a concept hatched in the black days of absolutism—the concept, to wit, that government is something that is superior to and quite distinct from all other human institutions—that it is, in its essence, not a mere organization of ordinary men, like the Ku Klux Klan, the United States Steel Corporation, or Columbia University, but a transcendental organism composed of aloof and impersonal powers, devoid wholly of self-interest and not to be measured by merely human standards. . . . This concept, I need not argue, is full of error.

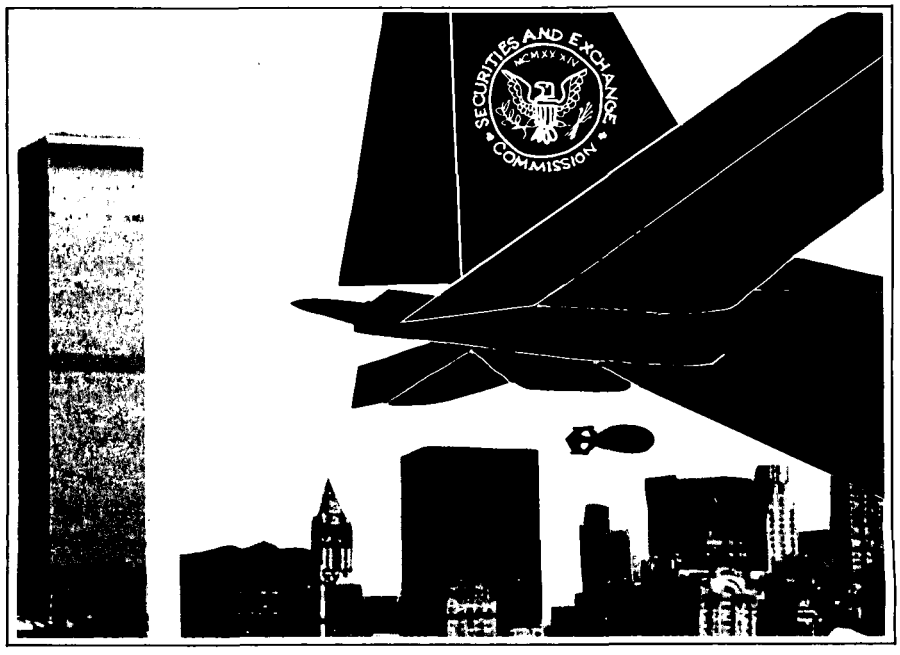
If Mencken felt no necessity to argue this, Roberta Karmel certainly does. In an authoritative first-person accounting, Karmel, a former Securities and Exchange Commissioner (1977–80), has blown the cover right off the Immaculate Conception model of government in *Regulation by Prosecution.*

The Securities and Exchange Commission, Karmel finds, is much more at home with self-serving regulatory zeal than it is with dispassionate oversight of the nation's capital markets. This is hardly shocking to those economists familiar with the past two decades of critical analysis of the theory of economic regulation. In particular, George Stigler's widely read article, "Public Regulation of the Securities Market" (*Journal of Business*, 1964), looked into the question of investor protection as provided by the SEC. Stigler found that the only significant statistical effect of SEC regulation of investment markets was to reduce the number of new companies offering stock. Yet he wryly surmised that, actual economic results notwithstanding, "it is doubtful whether any other type of public regulation of economic activity has been so widely admired as the regulation of securities markets by [the SEC]."

*KARMEL, WHO ATTEND-*ed Radcliffe and the NYU Law School, did time on the SEC staff "inspired by the idea of John Kennedy's New Frontier," in the early 1960s. It was a noble place of employment for the eminently moral, which she assuredly was. "I considered myself a liberal Democrat. Accordingly, I was antibusiness, prolabor, and in favor of government intervention in the economy, if not outright nationalization. . . . Of course, I was also for civil liberties and civil rights, and I perceived no conflict between government control of business and an individual's freedom from government control."

On the same principle that makes it unwise to toss a high school cheerleader onto a Marine base, the last place for such pristine innocence of the realities of public policy is the dirtied marble thrones of Washington, D.C.

It took the astute attorney but a few briefs to catch the system's actual drift. To everyone there, it was open warfare: SEC vs. American business. Crunched by the limits of their knowledge of the bona fide "public interest" on one side, and by the universal dynamic of human self-interest on the other, SEC staffers (who effectively controlled the commission due to better information on specific issues) lent vigorous momentum to a policy of tough antibusiness regulation. That the correlation between this pro-SEC position and the actual public interest

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might well have been nil or negative, seemed not to have concerned those responsible for commission policy. In the late 1930s, the commission's third and most famous chairman, William O. Douglas, boasted of his underlings' "idealism and fervor," and bestowed on them the "responsibility to participate in the revolution. The sense of freedom, the feeling of power over people and events, the desire for all-out effort, the excitement of adventure. . . ."

At some point, Karmel apparently felt her plasma coagulating after the initial rush of bloody bureaucratic pride. Where were Douglas's little missionaries to get their public-interest assignments from? She quickly observed the data closest to her: "I had a reputation as a tough and uncompromising prosecutor. It was much easier to be sure of my own integrity by deciding all close questions against the persons I was investigating or prosecuting. . . . My attitudes were typically those of SEC enforcement attorneys. . . . A bright, ambitious government attorney wants to make a name for himself or herself, and such a reputation is built on prevailing in difficult and controversial cases. As a result, routine cases tend to be ignored, and cases where new precedents can be established are pushed. This leads to a constant increase in the regulatory burdens on business. . . . I should add that the dynamics of law enforcement also lead prosecutors to have a preference for cases that will receive attention in the press."

THE *PROFESSIONAL* INcentives confronting an SEC staff attorney are powerful in their appeal to individual self-interest, which caused Karmel to wonder. "I sometimes had trouble reconciling the actual cases I was working on with such grandiose concepts as vindication of the law or the vitality of capital markets." It is Karmel's more recent devotion to the latter notions that has led her to a dramatic reappraisal of the proper role for business regulation by government. Astounded by flagrant disrespect for the rights of business people, and haunted by the deleterious effects of machismo-motivated regulation laid upon America's floundering stock market, Karmel's current view is that substantial regulatory reform—and a move toward deregulation—is called for. The greatest impetus for this feeling is her discovery of the connection between healthy capital markets and economically healthy Americans. The collapse of the Dow Industrials (the index stands at the same *nominal* value it did *fifteen* inflationary years ago) has hardly meant a windfall to the average worker in this country, and it tells her something about the way America treats the corporate Golden Goose. While these pedestrian insights may not impress those skeptics who condemned the SEC from the first, consider the source. Karmel represents the best of the SEC insiders, and her conversion is a welcome antidote to the likes of former SEC Chairman Harold Williams.

Assuming power also in 1977, Professor Williams attempted to steer the SEC toward ever greater control of publicly held corporations. Dubbed by a newsman as "the last of the red-hot regulators," Williams, mimicking FDR, professed (in Karmel's words) that "the only way for the private sector to stem the tide of further government regulation is to make corporate power more accountable to the general public." As Williams baldly asserted:

> The large corporation has ceased to be private property—even though theoretically owned by its shareholders. It is now a quasi-public institution. . . . The "shareholder" to which management should regard itself as accountable is not simply those individuals who happen to be shareholders today—or at any arbitrary point in time—but to "ownership" as an institution over time. When the "shareholder" is viewed as a continuing long-term group—even though its membership is changing daily—there is far greater congruence between corporate activity in the interests of its shareholders and the interests of the larger society.

Karmel also quotes Williams as advocating that we "unlink the income-stream speculator from ownership in American business," and she expresses naive surprise that such a view has widespread backing from leaders of big business. (There is nothing some members of the Business Roundtable would like more than to be liberated from the demands of their stockholders.)

We can be thankful, at any rate, that the aims of the proregulation lobby


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finally emerge in the full light of frank, public disclosure. When the SEC was established in 1934, the explicit purpose was to protect investors, who the New Dealers claimed had been tricked and manipulated by the shady practices of unscrupulous corporate managers; now the SEC has come full circle and openly aims to subvert the interests of those very shareholders it was given a mandate to protect. The constituency of the SEC today is the privately interested regulation industry, part of the so-called New Class, and Williams's plans for the SEC (many of which did not receive commission mandate) are no more in the "public interest" than was Richard Nixon's philosophical defense of "executive privilege." Harold Williams had the nasty habit, notes Karmel, of employing commission policies not to secure investor interests, as was his sworn duty, "but rather as a mechanism for advancing his ideas about corporate governance." He would not hesitate to extort gains from captive stockholders if his political views so demanded. "In many respects," notes Karmel, "investor protection has become a legal fiction by which the commission justifies its notions of proper policy." The SEC wouldn't stand a chance of passing an SEC audit.

*THE BATTLE OVER SECURITIES* regulation is not a struggle of private property vs. the public interest. It is simply a skirmish to determine *which* set of private decision-makers will prevail in directing the resources of American industry. That a competitive economic system, with shareholders making choices with their *own* risk capital, is superior to a system wherein financially insulated legal enforcers decide the investment opportunities from which Americans should be allowed to choose, is not a lesson lost on the hardened Karmel. Yet she sentimentally clings to the received idea that the SEC really has a quite positive, if modest, role to perform in today's economy. "We are much too advanced as an industrial society and as a democracy to return to a free-market economy," she writes. But so long as investors themselves can *choose* between corporate offerings, they remain the nexus of authority. As Karmel herself points out, "Lack of corporate accountability may be troubling, but lack of accountability on the part of government is far more dangerous." That is so because the individual investor, while held hostage by *federal* policy, is free to take a walk at any moment on private corporate managers. No investor can be forced to purchase—or retain—even a single share of IBM. So long as truth in management is demanded by risk-taking stock buyers, truth in management will be supplied.

Given all her worldly experience, Roberta Karmel should know as much. Her fundamental error is failing to see the pervasive determinism of the incentives provided when the state hands a regulatory carte blanche to a batch of "merely ordinary men." The surprising thing about the Securities and Exchange Commission is *not* that it would ignore the public's interest in a robust capital market in favor of bureaucratic breast-beating and furnishing trial experience to young lawyers; what is remarkable is that of the dozens of commissioners and hundreds of high-ranking staffers, even one Roberta Karmel has emerged to write as incisive and honest a tome as *Regulation by Prosecution.* ■


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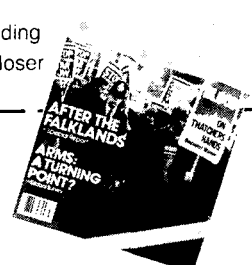


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# In Print

*FROM THE PERIODICAL* press: A new journal has appeared, titled *This World*, to be published three times a year. Generally neoconservative, *This World* carried an excellent article in its first issue (dated Winter/Spring) by British free-market economist Peter Bauer, "Ecclesiastical Economics Is Envy Exalted." Bauer argues against what he maintains is "virtually a consensus of contemporary churchmen" on economic questions, resting on an unexamined foundation of egalitarian and state-planning clichés. The churchmen, Bauer demonstrates, betray a view of economic reality approximately as sophisticated as the Ptolemaic theory. The second issue of the journal is due out in early summer. (*This World*, 210 E. 86th St., Sixth Floor, New York, NY 10028.) . . . In the June issue of *The Bulletin of the Atomic Scientists*, Frank Blackaby summarizes the *Yearbook of World Arsenals, 1982*, brought out by the authoritative Stockholm International Peace Research Institute (SIPRI). Blackaby points out that while Soviet arms spending is still steadily rising, about one-fifth of it is directed against China, and the European NATO countries continue to have much bigger military budgets than the Warsaw Pact countries outside of the USSR. The really unstabilizing factor is the massive U.S. arms buildup, concerning which Blackaby concludes, "It is difficult to see how this program is compatible with any serious attempt at arms control, let alone disarmament."

*INQUIRY* contributor Julian Symons has received the 1982 Grand Master Award of the Mystery Writers of America. Symons's latest thriller to be published in this country is *The Detling Secret* (Ticknor and Fields, $11.95). . . . Social critic Richard Sennett (*The Uses of Disorder, Authority*) has now come out with his first novel, *The Frog Who Dared to Croak* (Farrar, Straus & Giroux, $11.95), the story of a Hungarian Marxist philosopher and literary critic, "a brilliant man ruined by communism." Well crafted and surprisingly entertaining.

Richard B. McKenzie's *Bound to Be Free* (Hoover Institution Press, $15.95) deals with the forces the author sees as destroying individual and marketplace freedoms in the United States, particularly the attempt of everyone to live at everyone else's expense. He states that for the past two decades, American business has spent far more on wheedling favors from the government than on improving its ability to meet consumer needs; McKenzie feels this may have something to do with the present state of the American economy. . . . The same scholar has edited an anthology, *Plant Closings: Public or Private Choices?* ($5.00, paper), published by the Cato Institute, on the popular and mischievous fallacy that the Sunbelt is somehow depleting the vitality of the northern states, and that an answer is to restrict the firm's right to close or relocate plants. The book is available from the Cato Institute, 224 Second St., S.E., Washington, DC 20003.

In a lengthy *Village Voice* cover story (June 8), Richard Goldstein surveys the whole neoconservative movement; most fascinating is his account of the battle for chairmanship of the National Endowment for the Humanities. As Goldstein states, "Though no chairman of the NEH can single-handedly direct the course of American education, he can nurture nascent trends and take advantage of informal opportunities to signal department heads and deans. He can 'persuade,' with the cudgel of federal funding out of sight but hardly out of mind." (Bloated during the Nixon years, NEH's budget is now being cut; still, it will amount next year to $96 million.) Hardly astonishing, then, that this post has become a political bone of contention. In the Carter years, it went to Joe Duffey, of the Americans for Democratic Action, who used taxpayer funds to support trendy cultural causes. The new "get-the-government-off-our-backs" administration had no intention, of course, of abolishing the Endowment. Instead, there ensued an old-fashioned patronage battle between two factions of the Reagan coalition. Melvin E. Bradford, a respected (and highly conservative) professor of English, was supported by sixteen mainly new-right senators, among others, and seemed to have the job locked up. Until, that is, Irving Kristol, known as the Godfather of the neoconservatives, began pushing his boy, William Bennett. "Bennett was a Kristol loyalist who could be counted on to represent not just the Godfather's interests, but his ideas about how federal funding of scholarship and education might be more effectively deployed." Being much more adept in these matters than just your average olive-oil importer, Kristol won out; in return, Senator John East, of the North Carolina family, was given the right of approval over appointments to the National Council on the Humanities. The article gives a marvelous insight into the scramble for power over our cultural life now being conducted by the liberals, neoconservatives, and new rightists, which Roy Childs discussed in the lead review in our June issue. As Goldstein says, the only ones opposed on principle to these government subsidies to privileged intellectuals are "Milton Friedman and the libertarians."

Speaking of our June issue, the alert reader (and which of our readers is not?) will have noticed that a pack of gremlins was loose in the back of the book. They were even brazen enough to wreak typographical havoc in a section of this very column. Herewith, then, the original, unbotched passage: From Harvard University Press. *Dissenter in Zion: From the Writings of Judah L. Magnes*, edited with an introduction by Arthur A. Goren ($30.00). A fine selection of the letters and published writings of the famous American rabbi (1877-1948), who was a humanitarian, confirmed civil libertarian, and World War I dissident. Although Magnes was a cultural and spiritual Zionist—he was a founder of the Hebrew University in Jerusalem and its first chancellor—all his life he opposed exclusive *political* Zionism and the oppression of the Palestinian Arabs. His wish was to see the Jewish people "enter the promised land bringing peace and culture," and "not in the Joshua way." — R. R.



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**Britain in Decline: Economic Policy, Political Strategy, and the British State,** by Andrew Gamble. Beacon Press, 279 pp., $15.75.

**Britain Against Itself: The Political Contradictions of Collectivism,** by Samuel H. Beer. W.W. Norton, 231 pp., $18.95.

# Britain's delicate condition

*JOHN O'SULLIVAN*

THE SECOND "CONDITION of England" question is now over eighty years old. It was the Boer War, with its early military disasters, that startled a complacent Victorian Britain into the realization that the army was outdated and inefficient, scientific and technical training thoroughly inadequate, industry falling behind the modern methods of its American and German rivals, and much more besides.

Since then two developments in British life have continued in a sort of counterpoint. We British have carried on declining relative to other advanced countries. And we have kept up a steady output of analysis, diagnosis, and investigation of what has come to be known as the "British disease." Self-flagellation (with foreigners lending the occasional hand) has come in recent years to be a major academic and journalistic industry, keeping large numbers of hacks in whiskey and dons in sherry.

The two authors under review are hardened recidivists in the "Condition of England" racket (in which, admittedly, I have myself moonlighted from time to time). Professor Beer is the author of the now standard *Modern British Politics*; and Dr. Gamble has previously written a really illuminating book on the Tory Party.

But there the resemblance ends. Gamble is an English economic historian situated politically in the vicinity of Tony Benn, leader of the left-wing Labourites. Beer on the other hand is a Harvard political scientist smitten with Shirley Williams and the fledgling Social Democratic Party. They thus produce two very different theories of what went wrong when. In an analysis that would often have Hayek and Thatcher nodding enthusiastically, Gamble sees Britain's problems arising from its merely half-hearted adoption of free-market liberal economic theory. Since the repeal of the Corn Laws, Britain's adherence to free trade, free capital movements, and the theory of comparative advantage has scarcely wavered. On the other hand, there was never a similar dedication to economic liberalism in the domestic market. Indeed, in this century, in order to preserve social peace and class harmony, governments of all parties regulated competition, encouraged the establishment of cartels and marketing boards, and left undisturbed the restrictive practices of trade unions. The results were twofold: British industry was not robust enough for the competitive blasts of the world market to which it was subjected; and British finance, free to invest in more profitable opportunities abroad, did so and flourished.

**No British government can mobilize consent for any policy for long.**

Gamble thinks that this show has now reached the end of the road. And so, he believes, do Margaret Thatcher and Tony Benn. Thatcher's gamble (or, I should say, Gamble's version of Thatcher's gamble) is the wholesale application of liberal political economy. Labor unions must be restrained, inefficient companies allowed to go bust, the public sector reduced, and inflation kept down by monetary methods so that British industry should be able to compete in the world market. Equally logically, Benn proposes the wholesale abolition of the market and the application of "national political economy" across the board. In plain terms, tariffs and comprehensive state economic planning.

Beer would regard either of these logical alternatives as doomed because modern British government can no longer mobilize consent for *any* policy for long. Witness the failure of Harold Wilson's *In Place of Strife* attempt to reform labor unions, Edward Heath's U-turn, the "winter of discontent" under James Callaghan, Mrs. Thatcher's failure to cut public spending, and the collapse of incomes policy under virtually everyone. It was not so, he reflects sadly, in the halcyon days of 1966. In the functioning "collectivist policy" (in effect, an informal corporative state) of that time, parties and pressure groups reached agreements, kept their bargains, and, when necessary, even disciplined their own members to ensure that consent, once mobilized, stayed mobilized.

What then precipitated this impressive Humpty Dumpty's great fall? Beer identifies three broad causes. First, there are certain political contradictions within the collectivist polity that gradually worked themselves out. A subsidy given to one company undermines the company's competitors, which then have to be given subsidies of their own. Eventually, a policy that was designed to promote a few industrial "winners" is supporting whole wards of dependent companies. Secondly, the big disciplined battalions of party, union, and class gradually decomposed into smaller, self-interested warring groups. These were congenitally incapable of making and keeping agreements that involved some degree of self-restraint. Finally, the buggers just won't play ball. For reasons still mysterious, in 1968 there was throughout the world a romantic revolt against the drab limitations of industrial society, against money, discipline at work, social convention, against Auden's world of "telegrams and anger." Deference collapsed; a "new populism" arose; people did their own thing whether it was Liverpool kids playing skiffle, Left Bank students playing revolution, backbench MPs playing legislation, or newly militant British workers playing wildcat strikes. And the cumulative result of

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all this was a complete, bloody shambles in which no government could get anything done.

*DO BEER AND GAMBLE* stand up? Gamble's analysis is generally fair-minded and supported by careful evidence. But when he advances the "alternative industrial strategy" of tariffs plus state planning, he becomes lyrically absurd. This "strategy" involves a considerable extension of raw state power, with investment decisions being taken by civil servants, industries nationalized, firms still in private hands made to conform to government intentions by means of planning agreements, the abolition of private schools and health care, and so on. Gamble concedes that some misguided people see this as an extension of bureaucracy and the centralized power of the state. What does he reply? "This is mistaken. What all the theorists . . . emphasize is the need to combine measures that socialize and collectivize the economy, with measures that give greater civil, political, and social rights." Well, that's a relief. But what would these wonderful new rights be? Gamble mentions, first, certain rights, like free speech, which blind fools in market societies imagine they already possess. But then he goes on to add "equal opportunities in education and health care, and social security against sickness, injury, handicap, and old age," and later "workers' control in factories . . . and popular administration of services like education, health, and housing. . . ." In other words, Gamble is offering what that candid despot, Colonel Qaddafi, has given the people of Libya under the inspiring slogan: "Committees Everywhere." It is the tyranny of the boring.

Nor are we nearer to a solution of British industrial inefficiency. Labor unions, which have inflicted and maintain restrictive practices, continue to be a major stumbling block. The Thatcherite approach recognizes this and seeks to limit union power by legislation. Gamble is severely critical of it for that very reason. So what does he propose? When finally he reaches the topic, he looks embarrassed, clears his throat, and delivers this splendid example of British understatement: "Trade unions would have to be fully incorporated into the national planning system, surrendering their privileges and powers as independent organizations in return for participation in the making and implementation of economic policy. Whether such a transition would be an easy one is another matter."

Well, you can say that again. Indeed, you can inscribe it on an illuminated scroll and set it to music by Benjamin Britten. But whether transition to greater efficiency would be made any easier is another matter.

Beer's account is less apocalyptic and accordingly less vulnerable. Doubts creep in, however, about his theory of the collapse of deference. Surely a theory that explains everything from the popularity of the Beatles to the rise of Mrs. Thatcher explains altogether too much.

**A theory that explains everything from the rise of Mrs. Thatcher to the popularity of the Beatles explains altogether too much.**

Take for instance his argument that the collapse of deference led to the greater union militancy in the late sixties. Well, in the last two years, there have been markedly fewer strikes, less extravagant wage claims, and less militancy at the workplace. Has deference, then, been reinstituted? It would seem difficult to persuade those who have tasted equality to start tugging their forelocks again. But if we look for other causes, the rise and fall of militancy can be simply accounted for. Workers demanded more money in the years following 1966 because, after twenty years of inflation, the Keynesian "money illusion" broke down and they began building the inflation rate into their wage claims. And, more recently, the same workers have refrained from strikes (and have even abandoned restrictive practices in many cases) because they know that militancy will produce the firm's bankruptcy and their own unemployment. Recent experience, under Mrs. Thatcher, has taught them that the government will not come to the rescue with subsidies and monetary expansion. The worker's self-interest is now on the side of economic efficiency. This has achieved far more beneficial results—for instance, a 10 percent productivity increase last year—than two decades of consensual compromises between the big battalions.

*BEER ALSO ARGUES THAT* the rise of the Social Democratic Party is another sign of the collapse of deference. The differences between Labour's left and right could have been compromised, he feels, except that the very idea of party no longer commanded the same loyalty. This is perhaps because Beer, seeing the young Bennite militants through the rose-colored spectacles of his romantic-rebellion theory, seriously underestimates their authoritarianism, manipulation, viciousness, and sheer coercion of opponents. Labour's right-wingers not only disagreed with the Marxist opinions of the Bennite left; they felt themselves to be in a different moral and political universe. It was not therefore the *idea* of party that had lost its charm, but a particular party in the real world. Now that the SDP is in existence, its founders have rediscovered loyalty.

In a wry aside, Beer notes that, no sooner had his 1966 book celebrating British stability hit the bookshops, than fragmentation and chaos started to break out everywhere. On this occasion, both authors have fallen into the deadline trap in their judgments on Mrs. Thatcher. Gamble thinks that her policy cannot succeed without smashing the unions in a titanic struggle, and Beer feels that her doctrinaire neoliberalism cannot mobilize enough consent for political survival. As I write, the news has come in that the Tories have just won the Merton and Morden by-election—the first time a government has won a seat from an Opposition party since 1960. This is, of course, partly the result of the Falklands crisis. Even before that, however, the signs of economic recovery were multiplying. Success, like failure, is a habit as much as anything else. Mrs. Thatcher may therefore go down in history as a great national leader who finally halted the British decline. And Beer and Gamble will have to revise heavily for their second editions. Or so it seems at the time of this writing. ■



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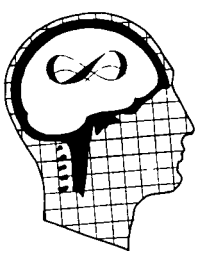

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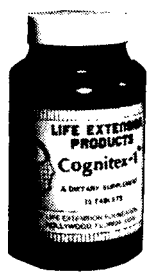


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# Film

**E. T. The Extra-Terrestrial,** directed by Steven Spielberg.
**Poltergeist,** directed by Tobe Hooper.
**Star Trek II,** directed by Nicholas Meyer.

# Close encounters of the third grade

*STEPHEN HARVEY*

*"1941" WAS THE SOLE STE-*ven Spielberg megamovie yet that failed to connect with trillions of moviegoers the world over, but it did contain an indelible moment that goes far to explain Spielberg's deepest impulses as a filmmaker, and the preternatural hold his movies have exerted over a global audience. While a wartime Los Angeles performs a collective terrorized pratfall at the prospect of a Japanese invasion off Santa Monica, one sobersided army general, played by Robert Stack, remains oblivious and imperturbable. He's bent on taking in a movie on this fateful evening, and nothing is going to deter him. The attraction is *Dumbo*, and *1941*'s one really funny image is the sight of this grizzled face smeared with tears, all because a pathetic cartoon pachyderm is being forcibly separated from his mommy.

And that, finally, is what Spielberg thinks the greatness of his medium is really about—the power to reduce the crustiest of grownups to that state of credulous wonder usually considered the province of eight-year-olds. This is hardly the most malignant impulse a film director might have; the worst you could say is that where someone like, say, Francis Coppola would like to rule the world, Spielberg merely wants to infantilize it. Certainly it can be soothing to succumb to the wiles of a master yarnspinner, letting Uncle Stevie do the thinking while you're reduced to all those gurgly kid emotions. What's disturbing is the way this surrogate celluloid daddy never gives you any choice in the matter. Once you plunk down in your seat at a Spielberg movie, that juggernaut of supercalifragilisticexpialidocious sounds and images is going to flatten you whether you want it to or not—you're going to twitch if it's a scary-Spielberg

flick, or sniffle if it's one of the sweet-Steven ones, and that's all there is to it. I doubt that anybody in the history of the movie business—Disney and Chaplin and Hitchcock included—has better understood how to tap our shared primal feelings. The director who possesses the most serene command of the movie technology of our time tells us in film after film to trust our hearts over our brains. One Spielberg movie after another celebrates the spontaneity of the moment, be it terrifying or joyous, while seeking to transform us into a platoon of quivering, obedient robots for as long as the picture unreels. Spielberg's greatest desire is to swallow us whole. He didn't just make *Jaws*—he is *Jaws*. *E. T. The Extra-Terrestrial* is beyond question his most potent exercise yet in the realm of mass hypnosis. This fable of a boy and his very own alien effortlessly synthesizes the dreamiest elements from a score of cherished kid movies spanning half a century. As in *The Day the Earth Stood Still* and *Curse of the Cat People*, a lonely child is befriended by an unearthly, benign creature; like *Peter Pan* and *Mary Poppins*, this apparition has the power to levitate itself and its enraptured charge, only to drop him gently to earth and disappear into a celestial infinity once its lessons have been learned, and the child has taken his first faltering steps into prosaic adulthood. And, of course, it reaffirms what *Close Encounters* first imparted—that the deepest, most stirring feelings dormant in us are waiting to be liberated by contact with the great beyond. Yet where E. T.'s fantasy forebears tended to take on the all too mortal forms of actors like Michael Rennie or Simone Simon or Julie Andrews, he combines the most endearingly grotesque features of a Muppet and a Yoda. Never has there been a creature-feature star who was so innately huggable. His chest, we are told by a scientist, is all heart, which glows red whenever he's in communion with his own kind; at his touch, toys pirouette in the air and flowers burst into effulgent bloom. He's also, most engagingly, something of an intergalactic klutz. Downing a forbidden six-pak, he lurches smack into the kitchen cabinets of the Sunbelt tract house that is his earthly haven; lured into playing dress-up by his ten-year-old protector's baby sister, E. T. waddles triumphantly out of the closet as a transvestite Miss Piggy. Brainy but naive, supremely fragile and trusting, he is forced in this hostile landscape to rely on the kindness of strangers, and Spielberg makes sure that we respond with all our hearts.

*ACTUALLY, IT WOULD* take a will of tempered steel to resist; how could you not share E. T.'s feelings of comradeship

*STEPHEN HARVEY is INQUIRY's film reviewer and the coordinator of the film study program at the Museum of Modern Art in New York City.*



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and loss, when Spielberg has shot so much of this movie so that you literally see everything from his perspective? The first ten minutes or so trace E. T.'s abandonment in the southwestern brush by his beleaguered mother-ship, and his pursuit by anonymous grownups bearing menacing flashlights—he (and we in the audience) never see their faces, because he's too short for those bulbous, moist eyes to gaze up that high without inducing whiplash on that squat, slimy neck of his. The same stunted angle of vision prevails once the boy Elliott (Henry Thomas) finds and shields E. T., since one of the things they have in common, besides a taste for Reese's Pieces, is that they're both about four feet tall. Until very late in the movie, the one adult viewed above waist level is Elliott's sweet-natured mother, too preoccupied, as grownups tend to be, with the homely details of daily life to notice the miracle in her midst.

We do, though, and the director's most inspired stroke was to set it off against that most prosaic and familiar of landscapes, the American suburb. Spielberg doesn't poke fun at the prefab placidity of split-level life in *E. T.* (he leaves that for *Poltergeist*, about which more later); rather, he implies that there's magic to be unearthed even here, if we could only approach it all with the eyes of the innocent. To E. T., Elliott's world of Frigidaires, color TV, computerized playthings, and Halloween is as exotic as Oz. Elliott, his pubescent brother, and his saucer-eyed sister are still sufficiently unformed to share in E. T.'s enchantment, because unlike some of those unregenerate grownups who might be lurking out there in the theater, their instincts have yet to be poisoned by such spoilsports as reason or custom. Elliott's openness of spirit is what allows him to partake in an exalted form of telepathy with the alien. E. T. gets swatted and Elliott, miles away at school, lurches around on his own pint-sized pins; the creature watches John Ford's *The Quiet Man* on the tube, and Elliott is seized by this sudden, exhilarating urge to leap to the classroom threshold and envelop a nubile classmate in his arms, just as John Wayne did to Maureen O'Hara. As his brother emphatically explains to the nonplussed government technologist who has stalked the wayward E. T. to his hiding place, it's not that Elliott has come to share the alien's thoughts—rather, the child "feels his feelings."

A crucial distinction, because in the world of this fantasy, thinking is dangerous, if not downright fatal. A team of scientists, hovering over the languishing E. T. in the hopes of studying and reviving him, only prod him further toward oblivion, but Elliott's blurted proclamation of love instantly recalls him from the void. It's no accident that *E. T.* contains the barest minimum of dialogue—the least I can recall in any American movie since the advent of sound. Language—as represented by the medical jargon spewed by all those white-suited technicians—is devious and too sophisticated a tool to be trusted, a barrier blocking out our own humanity. Besides, words can be interpreted in a multitude of ways, and Spielberg wants none of that. The ad copy for *Poltergeist* reads, "It knows what scares you"; the slogan for *E. T.* ought to be, "He knows what moves you." Awestruck children with shimmering eyes, declarations of brotherhood between kindred spirits, final farewells exchanged by the staunchest of comrades, all mercilessly orchestrated in tidal waves of John Williams's



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1001 strings recalling every movie score you've ever heard—that's what does it. No mortal could possibly resist the film's climactic moment, when E. T. places one glowing, protuberant finger on Elliott's forehead, promising that he'll reside in there with the child forever.

If you have one shred of free will left by this point, you might just conjure up the strength to resent Spielberg's mastery, however. Not a speck of ambiguity clouds a single frame of this movie; Spielberg is as skilled as he is determined, so why should he bother persuading us to cry when he has the power to seize us by the throat and *make* us be moved? The rapture that has greeted everything from the *Star Wars* series to *Chariots of Fire* and *On Golden Pond* indicates that nowadays moviegoers want to be soothed with burnished images of goodness rampant, in which the universal motto emblazoned on every marquee shall be reach-out-and-touch-someone. Well, they ain't felt nothin' yet. With the sincerest of motives, this filmmaker has brought us to the brink of that brave new world that Huxley once foretold with a shudder. Who needs movies now that Spielberg can submerge us in one of his relentless feelies?

"POLTERGEIST," OF course, is a creepy feelie; you can tell that right off from the way Spielberg's signature note, The Blinding White Light, is an occasion for the shrieking miseries rather then dewy-eyed jubilation. The opening credits inform that Spielberg merely produced and co-wrote this one—Tobe Hooper, *auteur* of *The Texas Chainsaw Massacre*, is the director of record. Yet by all reports Spielberg took over the helm during much of the film's production, and his imprint is everywhere. As before, the strange doings take place in a ranchhouse development nestled in a California valley; though subtly different, the locale is virtually interchangeable with the one in *E. T.*, which is precisely Spielberg's point. (Both films are subliminal about the isolation of suburban life—in neither do the neighbors take the slightest notice or interest in all that weird stuff happening right across their redwood fences.) Again the inexplicable crashes down on a family comprising three children. This time, destiny's tot is the youngest, a white-blond little girl named Carol Anne (played by Heather O'Rourke) likewise almost indistinguishable from her counterpart in *E. T.* Once more it's clear that something is awry when the kid's playthings and the homeliest household appliances, photographed in totemic closeups, begin to act like flotsam in a space capsule.

*Poltergeist* is a much more playful movie than *E. T.*; all Spielberg wants here is to make a particularly seductive example of the horror genre, rather than convert the race to his own brand of fundamentalism. Perversely enough, although he's working within a much more constricting story frame than in *E. T.*, his observations of "normal" American life are freer and more pungently expressed. (In the film's delicious central metaphor, the poltergeist's victim is quite literally sucked up into that domestic shrine, the TV console.) Where *E. T.* lulls the audience into a blissful REM-state, *Poltergeist* keeps you alert by shifting unexpectedly from ghoulish manifestations to bumptious comedy with an ominous kick—the kid's mother clapping with pleasure as her kitchen linoleum is transformed into a sliding pond, a midget medium invoking the unknown with a pouf of hair, harlequin glasses, and a honeyed southern bleat. Unlike *E. T.*, this movie has room for a fully realized adult performance as well. As Mommy Savior, Jobeth Williams is gorgeous, smart, and fervent—so much conviction blazes from her eyes that for us the prospect of her daughter's demise is turned from sick joke to dire threat. The coda, in which several gross of cadavers catapult from their defiled resting place, is an obviously desperate measure to placate the hardcore bloodhounds in the audience. Up to that time, the mayhem is disquieting in its elusiveness—a light show descending the staircase like a spectral Winged Victory. If Spielberg's belief in the supernatural is less sincere than his faith in that Somewhere Over the Milky Way, so much the better, for this time around he has to rely on us to do some of the imagining for him.

I MUST CONFESS TO MY LACK of qualifications to judge the merits of *Star Trek II*, having been utterly immune (if not Vulcanized) to the attraction of the TV series; what anyone saw in those tacky sets, somnolent actors, and fortune-cookie philosophizing has always been beyond me. In truth, the new one is less comatose than the big screen's first *Star Trek*. (At least it doesn't feel as though several millenia pass during the journeys from one galaxy to another in this version.) Otherwise, nothing much has changed as far as I'm concerned. Spock still has pointy ears and speaks in a sonorous monotone, Kirk smirks his way through ever-encroaching intimations of his human mortality, and the two of them indulge in Shaw-cum-Gibran repartee inevitably preceded and followed by the movie equivalent of a Gene Krupa drum roll, just to make sure that we get it. The new camp attraction is Ricardo Montalban in all his grandiose smarminess, as the nemesis Khan. He sports a platinum streaked Bo Derek wig and elaborately latexed pecs, plus a retinue of grubbied-up surfers out of an old Roger Corman hippie/Hell's Angels epic. But who am I to say? All I wanted was to see the Enterprise smash into a convenient asteroid in reel one. ▣


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# Way off Broadway

The best show in Washington these days has been the battle over next year's federal budget, with the president, the Senate, and the various factions of the House providing more than six different, competing proposals. As important as the budget numbers has been the supporting rhetoric: liberals charging that slowing social-spending growth will devastate the poor and elderly, and conservatives claiming that even minor reductions in the massive military buildup will risk our national security.

Most people have focused on the horrendous deficits—exceeding $100 billion—projected for the next two years. But deficits are only a symptom of the far more alarming problem of uncontrolled federal spending. In 1969, the last year the budget was balanced, total federal spending was "only" $183 billion—less than one-fourth of the expenditure planned for next year, and less than the *increase* from 1980 to 1983.

Unfortunately, this year's painful struggle to pass a budget has not deflected the ever-upward course of spending. One reason for this is the lack of accurate economic projections. For example, the Reagan administration admits that it underestimated spending due to the recession by at least $25 billion, and the Congressional Budget Office figures Reagan's underestimate to be $29 billion, with Reagan's 1983 budget ballooning from $757 billion to $786 billion. Such erroneous estimates are nonpartisan—Carter consistently underestimated spending by tens of billions of dollars.

The second, and more important, reason is that very few politicians are genuinely interested in controlling the budget. Reagan has slowed the growth of spending; even a $786 billion plan shaves a few percentage points off of Carter's projection of $817 billion (which would have turned out to be even higher, for the same reason Reagan's is higher than he expected). But Reagan's continued support for multi-billion-dollar business-subsidy programs, such as the Synthetic Fuels Corporation, and extravagant increases of $30 billion and $40 billion a year in military spending, as well as his surprising failure to take on the ever-mushrooming "entitlements" programs, has guaranteed that the federal behemoth will continue to grow.

Most congressmen seem even less interested in trying to control spending. They fled from Reagan's budget, but toward what? The Republican-controlled Senate and the House Democratic leadership proposed different budget plans of $784 billion, a group of moderate representatives introduced one for $779 billion, and House conservatives recommended spending $775 billion. What the legislators were doing was not reducing Reagan's budget—their proposed reductions ranged from a little more than 0.2 percent to 1.3 percent—but playing a dollar shell game involving the Pentagon and the welfare establishment.

A compromise budget of $770 billion was eventually adopted by both the House and Senate, though the CBO announced that it was closer to $780 billion. Moreover, to meet this target, Congress must make roughly $50 billion' worth of changes in current laws. Since congressmen are reluctant to cut spending for the special interests with which they have a symbiotic relationship, and the likelihood of lumping all the changes together in a single package, as they were last year, is small, spending will likely end up far more than $800 billion. And even this number does not include another $16 billion in expenditures designated in Washington wordspeak as "off-budget," and therefore not included in the normal budget resolution.

Accompanying spending increases are tax increases. Congress's desperate attempt to cut a projected Reagan deficit of $132 billion led to the budget resolution calling for $20 billion in tax increases next year, and $100 billion through 1985. Thus nearly one-fourth of the scheduled tax reduction over the next three years is to be wiped out, even though almost all Americans with an income under $40,000 are paying more taxes this year, because last year's tax cuts haven't fully counteracted inflation-induced bracket creep and social security tax increases.

Even Reagan, who plays the role of the great tax-cutter, has declared his support for the Senate Finance Committee's tax bill. This grab for more taxpayers' resources includes: a higher minimum individual income tax; withholding on interest and dividends; increased cigarette, unemployment-benefits, airline-passenger, and aviation-fuels taxes; and a potpourri of other "business taxes."

Pressure from Reagan and Finance Committee Chairman Robert Dole kept the Republican committee majority in line, but the new tax measures may yet fail, since the House has traditionally been hostile to many of the proposals, and business groups are gearing up to oppose them. Even if they fail, the unambiguous message is that the politicians will try to increase taxes before they will cut spending enough to balance the budget. Whether or not the new taxes pass, and whatever the size of the deficit, spending will continue to climb out of control. There is no prospect for change next year, the year after, or perhaps ever: The Reagan administration estimates that spending will jump annually by $50 billion and $60 billion through the first half of the 1980s, and experience suggests that these estimates are far too low.

Until there is an institutional limit on government—requiring a balanced budget and sharply limiting the share of people's income that may be taken and spent—Congress will continue to force taxpayers to subsidize the lifestyles, businesses, educations, artistic aspirations, and other whims, of those with political power. And Washington's tragicomic show will continue to run, sponsored by the taxpayers, with most of us not knowing whether to laugh or cry.

—**Doug Bandow**



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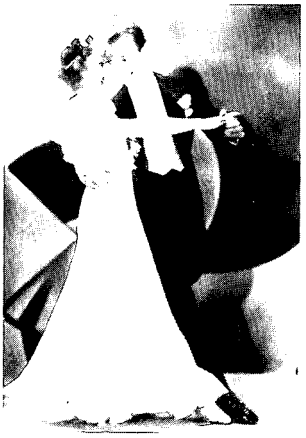

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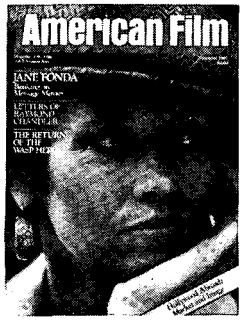


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